

APPENDIX AA

DEFENSE ACCOUNTING AND FINANCE SERVICE (DFAS)
ACCOUNTING AND DISBURSING STATION NUMBERS (ADSN)
SUPPORTING AIR FORCE

ADSN	LOCATION	ADDRESS TO MAIL COPY OF GBL
503000 503300 595600 503900 503901 678100	Dayton, Ohio	DFAS-DY, Building 46, 1050 Forrer Boulevard, Dayton OH 45420-1472
525700 503100 673200	Omaha, Nebraska	DFAS-OM/A, Box 7030, Bellevue NE 68005-1950
660700 504300	San Antonio, Texas	DFAS-SA, 500 McCullough Ave, San Antonio TX 78215-2100
672300 504400 503200 594200	San Bernardino, California	DFAS-SB, 1111 East Mill Street, Building 1, San Bernardino CA 92408-1621
662400	Orlando, Florida	DFAS-OR/AOB, 2500 Leahy Avenue, Orlando FL 32893-2300
667100	Limestone, Maine	DFAS-LI, 3 Arkansas Road, Limestone ME 04751-1500
668300 663600 674400 846100	Honolulu, Hawaii	DFAS-PC, 477 Essex Street Pearl Harbor HI 96860-5806
678900	Kaiserslautern, Germany	DFAS-EU, Unit 23122, APO AE 09227
875800	Denver, Colorado	DFAS-DE/O, 6760 E Irvington Place, Bldg 667, Denver CO 80279-8610

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX BB

MANAGEMENT REFORM MEMORANDUM #15 BUSINESS PROCESSES AND PROCEDURES

The following attachments contain the business processes and procedures, which apply to shipments made using US Bank's PowerTrack. For questions regarding MRM #15 business rules contact the MRM # 15 Program Management Office at Defense Switched Network 328-3209 or Commercial (703) 428-3209.

Table of Contents	Page Number
Attachment 1, Surface Commercial Carrier Payment Business Rules	BB-1-1
Attachment 2, Sealift Commercial Carrier Payment Business Rules	BB-2-1
Attachment 3, Commercial Air Lines of Communication (COMALOC) Payment Business Rules	BB-3-1
Attachment 4, TWCF Business Rules	BB-4-1
Attachment 5, Fuel Commercial Carrier Payment Business Rules	BB-5-1

THIS PAGE INTENTIONALLY LEFT BLANK

ATTACHMENT 1

SURFACE COMMERCIAL CARRIER PAYMENT BUSINESS RULES

A. PURPOSE

This attachment describes the business rules that govern the Surface commercial carrier payment process. The rules relate to the timing of transactions, continuation/validation requirements, exception handling, and other issues that may arise during the shipment and payment of Surface commercial carrier cargo.

B. SCOPE

The business rules are applicable to the military services and defense agencies. The business rules address carrier payments and the associated accounting requirements. The surface commercial payment process enables carrier to be paid directly by the US Bank. The Defense Finance and Accounting Service (DFAS) reimburses the US Bank for cargo movement services. This process also enables DFAS to establish and liquidate the obligation for the shipper customer. The surface commercial payment process is applicable to carriers, brokers and third party logistics (3PL) providers categorized as Less Than Truckload (LTL), Truck Load (TL), Express, Munitions, and Air Freight. Where the carrier is referenced in this attachment, it is understood to include 3PL providers.

C. SURFACE COMMERCIAL PAYMENT PROCESS FLOW DIAGRAM

The surface commercial payment process flow diagram shown below presents a general representation of the surface business process. The numbers in the process flow diagram correspond to the business rule numbers that are described in following paragraphs.

D. BUSINESS RULES

The Surface commercial payment process business rules relate to the 10 primary functions in the payment process:

1. Shipment Booking.
2. Documentation.
3. Status/Price Confirmation Generation.
4. Accounting Classification Review.
5. Carrier Payment Approval.
6. Carrier Payment.
7. Accounting.
8. Monthly Billing Statement (MBS) Certification.
9. Bank Payment.
10. Dispute Resolution.

1. Shipment Booking.

a. The shipper transportation office (TO) will enter shipment data into the automated shipper system (e.g., Cargo Movement Operations System (CMOS) for Air Force and Marine Corps, Continental United States Freight Management/Electronic Transportation Acquisition (CFM/ETA) for Army, Navy and Defense Contract Management Agency, and Distribution Standard System (DSS) for Defense Logistics Agency (DLA)) for all shipments that can be processed by that system. If the shipper system is unavailable (i.e., system is down), immediately call the system Help Desk for instructions. The TO will manually generate a Commercial Bill of Lading (CBL) and enter the data directly into PowerTrack.

b. The TO will use the shipping site's Department of Defense Activity Address Code (DODAAC) or issuing office Government Bill of Lading Office Code (GBLOC) to identify the site in the CBL. If the wrong identifier is used, the shipment will not be assigned to the correct PowerTrack account. Contact the Military Traffic Management Command's (MTMC) CFM Help Desk (1 (800) 336-4906) or the PowerTrack Help Desk (1 (800) 417-1844) for assistance.

c. If a carrier proprietary system is used to create the CBL or Air Waybill, the TO must inform the carrier which account will be used. PowerTrack will assign the transaction to a PowerTrack account based on the carrier account code. If the TO gives the carrier the wrong account, the transaction will be assigned to the wrong PowerTrack account.

d. The TO will enter the Standard Carrier Alpha Code (SCAC) of the carrier to which the shipment is tendered. This SCAC will be used by PowerTrack to identify the carrier moving the shipment. Contact MTMC's CFM Help Desk (1 (800) 336-4906) or the PowerTrack Help Desk (1 (800) 417-1844) for assistance if the SCAC is unknown.

e. TOs will not accept a shipment without proper documentation for financial processing. At a minimum, either a Transportation Account Code (TAC) or Line of Accounting (LOA) with the Standard Document Number (SDN) must be provided. For CFM/ETA users, the SDN will be

generated automatically during the shipment input process. For Marine Corps, both the LOA and SDN must be provided.

f. The “Bill To:” field must identify PowerTrack shipments. For CFM-ETA users, the “Bill To:” field must contain US Bank – PowerTrack, 1010 South 7th Street, Minneapolis MN 55415. CMOS users must enter “USBANK” in the “Bill To:” DODAAC field.

Business Rules For Shipment Booking	
Condition	Rule
Shipper system available for booking.	The TO enters data into the shipper system, which feeds PowerTrack.
Shipper system unavailable for booking.	The TO manually generates CBLs and enters data directly into PowerTrack. The TO will immediately call the system Help Desk for instructions.
TO enters incorrect shipper DODAAC or issuing office GBLOC in the CBL.	If given the incorrect DODAAC or GBLOC, PowerTrack will assign an incorrect PowerTrack account. Therefore, the TO must ensure correct DODAAC and GBLOC are used. Contact MTMC’s CFM Help Desk or the PowerTrack Help Desk for assistance.
TO entering shipment data.	The TO shall not accept a shipment without a valid obligation document number. For all shipments, the TO will obtain a valid LOA, SDN and TAC, if applicable. (Exception: For CFM/ETA users, the SDN will be generated during shipment data entry.)
	CFM/ETA users will enter: U.S Bank – PowerTrack, 1010 South 7 th Street, Minneapolis MN 55415 in the “Bill To:” field if it is not system generated. CMOS users must enter "USBANK" in the “Bill To:” DODAAC field.

2. Documentation.

a. The TO will print a minimum of two hard copies of the CBL: one to file, and one to give to the carrier. (Note: Army TOs will print an additional copy to provide to the Funds Manager (FM).)

b. Manifest and pickup:

(1) The TO will provide a paper CBL/manifest to the carrier at pickup.

(2) The electronic CBL data must be sent from a shipper system (e.g., CMOS, CFM/ETA, and DSS) to PowerTrack no later than 24 hours after pickup.

3. Status/Price Confirmation Generation.

a. The carrier will submit a delivery status to PowerTrack via Electronic Data Interchange (EDI) 214 transaction set (preferred), via the PowerTrack web interface, or by telephone. If the carrier

submits price data to PowerTrack it will be via EDI 110/210 transaction sets. The carrier will perform services according to the shipping instructions as specified in the CBL and applicable contracts, tenders, and Guaranteed Traffic Agreements. The carrier must report notification of delivery of the shipment to PowerTrack before the payment can be made.

b. For locally paid services, e.g., destination charges, the carrier will bill the appropriate TO by creating a stand-alone electronic-Bill (e-Bill) in PowerTrack. When the e-Bill is created the carrier must reference the proper account classification (e.g., LOA and SDN or TAC) to be sure that the proper entity is billed. Air carriers may include locally paid services as part of the standard EDI transmission to PowerTrack. Carriers will create e-Bills for any charges not included in the original billing transaction.

4. Accounting Classification Review.

a. TOs will not accept a shipment if the shipping document does not contain a valid LOA and SDN or TAC (for the Army, the SDN will be generated during creation of the CBL). FMs may utilize the PowerTrack FM Review to determine whether the LOAs or TACs they manage are being used properly, and to confirm that a proper obligation exists.

b. The FM will have access to PowerTrack FM Reports. If they determine that an LOA and SDN or TAC must be changed, they should contact the TO responsible for the shipment who, in turn, must check with whomever requested the shipment to obtain a valid LOA and SDN or TAC. Action by the TO to correct the invalid LOA/TAC must be taken within three Government Business Days (GBDs) of being contacted by the FM. Any LOA/TAC errors must be corrected in the PowerTrack shipment record if possible, and documented using the Notes functionality. Errors identified after the MBS has been created can not be changed in the PowerTrack shipment record, but must be manually corrected on the MBS and documented in PowerTrack using the Notes functionality (see paragraph 8e).

c. The FM and TOs will respond within two GBDs to DFAS payment office inquiries. They will provide necessary data to these offices so the payment office can complete the disbursement process to the US Bank.

Business Rules for Accounting Classification Review		
Condition	Rule	
TO receives a shipment document with a LOA and SDN or TAC.		TO processes shipment request.
FM determines that an LOA and SDN or TAC is being used improperly.	FM contacts the responsible TO.	TO contacts customer that requested shipment, obtains correct TAC or LOA and SDN information, documents change in PowerTrack using the Notes function within three GBDs of being contacted by the FM.
TO receives a shipment document without a TAC or LOA and SDN, yet shipment is processed.		If no TAC or LOA and SDN is obtained and shipment is processed, the Certifying Officer must annotate the MBS with reason TAC or LOA and SDN is not available.

5. Carrier Payment Approval.

a. Payment Requirements.

(1) The services shall establish maximum dollar amounts for carrier payment approval. TOs can assign each individual PowerTrack user within an office a different maximum dollar amount for carrier payment approval. If the CBL price on a shipment exceeds a user's maximum, that user will not be able to approve carrier payment. Ensure primary and alternate individuals are designated for various thresholds.

(2) The TO will approve payment for the amount that is determined as the government's responsibility to pay. The amount the government is responsible to pay includes the rate for the shipment and any authorized accessorial charges as specified in the contract. Accessorial charges may include, but are not limited to, weekend pickup and delivery, increased liability, address corrections, or extended area of coverage.

(3) The carrier payment process cannot begin until there is confirmation in PowerTrack that services have been performed. The event to confirm that services have been performed will be the receipt of the carrier's notification of delivery. Actual carrier payment will be based on the services provided under the CBL.

b. Automatic Approval of Payment.

(1) In the government invoice and carrier invoice models, the service will establish a maximum automatic approval price threshold. The services/agency will set the parameters for automatic approval. TOs may assign a lower maximum automatic approval dollar amount based upon workload and carrier characteristics.

(2) If a shipment meets the automatic approval price parameters it will be approved for payment without the TO needing to review. If a shipment does not meet the parameters, the TO will need to review the shipment data and follow Manual Approval of Payment rules.

(3) TOs will review reports to identify late shipments that were automatically approved for payment. If payment for a late shipment was automatically approved, the TO will submit an e-Bill to request an appropriate adjustment in price.

Business Rules for Surface Automatic Approval of Payment		
	Condition	Rule
Matching Model (shipper and carrier submit a price).	Price difference is not more than the maximum established by the service.	PowerTrack automatically approves and executes payment to the carrier within three GBDs of receiving notification of delivery.
	Price difference is more than the maximum established by the service.	PowerTrack places the shipment on hold for manual approval.
	A shipment is delivered after the Required Delivery Date (RDD) and the price is contingent on timely delivery.	TO will adjust price in PowerTrack prior to approval or review reports to identify late shipments that were automatically approved, and will adjust using the e-Bill process.
Government Invoicing Model. Or Carrier Invoicing Model.	Price is below the maximum ceiling established by the service.	PowerTrack automatically approves and executes payment to the carrier within three GBDs of receiving notification of delivery.
	Price is above the maximum ceiling established by the service.	PowerTrack places the shipment on hold for manual approval.
	A shipment is delivered after the RDD and the price is contingent on timely delivery.	TO will adjust price in PowerTrack prior to approval or review reports to identify late shipments that were automatically approved, and will adjust using the e-Bill process.

c. Manual Approval of Payment.

(1) Any transactions that are not automatically approved must be approved manually. Wherever possible, a separation of duties should be maintained and the person who approves carrier payment should be different from the person who created the CBL.

(2) The TO must approve for payment the amount they determine the government is responsible to pay. Overpayments will be resolved using the e-Bill process. Any adjustments in the original payment estimate must be documented using the Notes function of PowerTrack for the purposes of invoice certification and post payment examination. Notes can be used prior to payment settlement; e-Bills are used after payment settlement.

(3) For shipments that do not meet the automatic approval criteria, and therefore must be approved manually, the TO must take one of the following actions within three GBDs after notification of delivery:

(a) Approve the payment.

(b) Adjust the price, approve the payment, and record the reason for the adjustment in a PowerTrack Note.

(c) Place on hold and request additional information from carrier.

(d) Deny payment and record reason in a PowerTrack Note.

(4) Once a response from a carrier is received on a hold, the TO that placed the hold has three GBDs to approve or deny.

(5) If a shipment is delivered after the RDD, and the price paid is contingent on timely delivery, the TO will adjust the price in PowerTrack prior to approval.

(6) The TO can update a transaction in PowerTrack before the US Bank remits payment to the carrier. In those situations where transactions are updated, the TO that approved the change must attach a Note to the transaction in PowerTrack explaining why the change was made. The following rules apply when updating shipment data prior to remitting payment to the carrier.

(a) All changes affecting cost must be recorded in PowerTrack either directly or as an update from the shipper system (Note: PowerTrack currently does not accept updates from shipper systems).

(b) After the US Bank has paid the carrier, any changes to price or shipment data must be entered into PowerTrack via the e-Bill process.

Business Rules for Surface Manual Approval of Payment		
Condition	Rule	
Shipment must be manually approved.	TO must take one of the following actions within three GBDs, and document relevant details in PowerTrack.	Approve government or carrier submitted price.
		Adjust government price, approve, and record reason.
		Place shipment payment on hold and request additional information from the carrier.
		Deny payment and record reason.
Shipment is placed on hold and carrier is sent information request.	Carrier payment shall not be made until resolved and approved.	
TO receives response to information request.	TO must approve or deny payment within three GBDs.	
A shipment is delivered after the RDD and the price is contingent on timely delivery.	TO will adjust price in PowerTrack prior to approval or review reports to identify late shipments and will adjust using the e-Bill process.	

6. Carrier Payment.

The US Bank will not pay the carrier until notification of delivery and TO approval are received. The US Bank will pay the carrier after the TO approves the transaction for payment (or transaction is automatically approved), removes a transaction from hold status, or resolves an e-Bill. The carrier payment approval process outlines the actions that TOs should use to approve transactions.

7. Accounting.

(Note: There are plans for automatic feeds to DFAS for the creation of obligations and the MBS. Until the EDI 821/810 is developed and tested for all services, FM's will manually adjust or post obligations utilizing the information in the FM Review in PowerTrack.)

a. Obligation: US Bank PowerTrack will generate an EDI 821 Transaction Set for DFAS to record the obligation for the shipper customer.

b. Accruals: US Bank PowerTrack will generate an EDI 821 Transaction Set for DFAS to record the accrual for the shipper customer.

c. Actuals: US Bank PowerTrack will generate an EDI 810 Transaction Set for DFAS to record the actual for the shipper customer. The EDI 810 will include both summary (no SDN) and detail LOAs.

8. MBS Certification.

a. Procedures for the Certifying Officer Legislation apply. The responsibilities for certifying officers, accountable officials, and reviewing officials are contained in the Department of Defense

Financial Management Regulation (DODFMR) 7000.14-R, Volume 5, Chapter 33, Accountable Officials and Certifying Officers.

b. The MBS must be accessed through the PowerTrack website (<http://www.usbank.com/powertrack/>) (no hard copy will be mailed to the Certifying Officer). The Certifying Officer will print the MBS two GBDs after the 15th of the month or two GBDs following the date when the US Bank generates the MBS, whichever occurs later. The Certifying Officer will stamp the availability date on the MBS.

c. The Certifying Officer should utilize the FM Review to “work ahead” and start researching MBS entries in advance to speed up the certification process. The FM Review can be accessed daily to build next month's MBS.

(1) The day following the date of last month's MBS (typically, the 16th or 17th of the month), run a FM Review query for all carrier payments for the specified TO. The result will be in effect that day's entries for next month's MBS. Whenever the FM Review is run, ensure that the day following last month's MBS date is the start point and that the report always is for carrier payments which are the basis for MBS entries.

(2) Continuing to run a cumulative query throughout the month will build the MBS data ahead of time and allow certification reviews to be made daily, which will spread the certification workload throughout the month. Errors discovered to accounting classifications can be corrected in the shipment record directly in PowerTrack up to the date of MBS production. Running a cumulative query will also allow e-Bill adjustments to be submitted in a more timely manner.

(3) Any LOA or TAC conversion errors must be corrected in the PowerTrack shipment record if possible, and documented, using the Notes function. Errors identified after the MBS is created can not be changed in the PowerTrack shipment record, but must be manually corrected on the MBS, and documented in PowerTrack with a Note.

(4) When the MBS is accessed from the PowerTrack website and printed, it should be compared to the annotated FM Review to ensure that the appropriate MBS detail transactions were previously reviewed.

d. The Certifying Officer will review the MBS from the US Bank to ensure that it reflects the actual carrier payments. The Certifying Officer will accomplish a prepayment review as required by the DODFMR 7000.14-R, Volume 5, Chapter 33.

e. The Certifying Officer certifies the MBS. After signing the MBS, route through other office(s) for review if required by service headquarters (HQs) (i.e., local finance service office or higher HQs). A copy of the annotated FM Review (or equivalent document) will be attached to the MBS when required by the DFAS payment center designated for that TO. The MBS must be sent to the appropriate DFAS payment center in sufficient time to allow DFAS to process it for payment, receive a refund for early payment, and avoid penalties under the Prompt Payment Act (see paragraph 8f).

(1) One MBS will be created per TO.

(2) Prior to certification of the MBS, the Certifying Officer will review sampled LOAs and SDNs according to DODFMR 7000.14-R, Volume 5, Chapter 33, to ensure they are valid based on supporting automated documentation.

(3) If the MBS is missing the shipper's appropriation or the appropriation is apparently incorrect, the Certifying Officer will contact the shipper/activity FM to resolve the discrepancy. When notified, the TO will prepare a Note in PowerTrack documenting the actions taken to establish the correct appropriation, and the Certifying Officer will make manual corrections to the MBS.

(4) Designated DFAS payment centers (for addresses go to <http://www.dfas.mil>):

Navy	DFAS-Norfolk
Marine Corps	DFAS-Kansas City
Army	DFAS-Indianapolis
Air Force	DFAS-OPLOCs that support Air Force
DLA	DFAS-Columbus

f. The MBS must be certified by the Certifying Officer (with manual corrections made to the LOA and associated Notes entry made by the TO in PowerTrack). It must be forwarded and received by the designated DFAS payment center by the fifth GBD following the date the MBS is available. This is to ensure the DFAS payment center has sufficient time to process the MBS for payment, receive a refund for early payment and avoid penalties under the Prompt Payment Act.

Business Rules for MBS Certification	
Condition	Rule
The US Bank makes the MBS available for printing by the Certifying Officer in PowerTrack.	Certifying Officer prints out and stamps availability date on MBS.
The Certifying Officer utilizes the FM Review to work ahead, researching MBS entries in advance to speed up the certification process.	Run a cumulative query throughout the month to build the MBS ahead of time and allow certification reviews to be made daily. This will spread out the certification workload throughout the month. This would also allow e-Bill adjustments to be submitted in a more timely manner.
Certifying Officer performs prepayment review.	Certifying Officer will accomplish a pre-payment review as required by the DODFMR 7000.14-R, Volume 5, Chapter 33.
Certifying Officer discovers overpayment.	Certifying Officer effects price adjustment using the e-Bill process and the TO makes appropriate Notes in PowerTrack.
Certifying Officer determines the MBS to be correct and proper.	Certifying Officer signs MBS and submits it along with annotated FM Review or equivalent document to proper DFAS component for their service. The MBS must be certified by the Certifying Officer and received by the designated DFAS payment center by fifth GBD following the date the MBS is available.

9. Bank Payment.

a. The MBS is provided at the summary and detail level in PowerTrack. The Summary MBS provides an overview of account activity and transaction billing information summarized at the LOA level. Depending on service/agency requirements for input into the shipper system, the LOA may or may not include the SDN. The Detail MBS lists all the transactions that were paid during the statement cycle and shows the carrier, bill of lading (BL) number, date, shipment origin, destination, and freight cost.

b. If the DFAS payment office receives a certified MBS with an LOA that fails edit in the entitlement system because of insufficient obligations, DFAS will increase the obligation to the billed value if that arrangement has been pre-established. If the LOA fails the edit because of no obligation, DFAS will either establish an obligation (if the FM can identify appropriate accounting data) or will assign the current alternate LOA that applies to that shipper as established by the shipper's HQs. If the LOA fails the edit because of validity, DFAS will attempt to identify the correct LOA. If unsuccessful, DFAS will assign the service/agency alternate LOA to billed value and notify the service/agency HQ point of contact (POC). DFAS will then process the payment to the US Bank. The DFAS payment office will notify the service/agency HQ of any obligation increase, the establishment of any obligation, or the use of the alternate LOA. This action will be in accordance with DFAS currently established interim manual operating procedures.

c. When FM's obligate in bulk, prevalidation of the MBS by DFAS is greatly simplified and accomplished rapidly. When possible, FM's should establish bulk obligations for transportation services so that the accounting will be easier and the likelihood of the Department of Defense (DOD) receiving a refund for rapid payment of MBS to the US Bank will be increased.

d. Prompt Payment Act interest begins to accrue 15 days after the date the MBS is made available to Certifying Officials. Therefore, it is imperative Certifying Officials complete their review and certification of the MBS within three days of its availability. Additionally, there is a contractual incentive that provides the DOD with a rebate when payments are made within 30 days. The faster that payments are made to the US Bank, the more refund dollars DOD will realize. DFAS will track and distribute appropriation refunds returned to DOD via this process.

Business Rules for Bank Payment	
Condition	Rule
LOA fails edit in the entitlement system because of insufficient obligation.	DFAS will increase obligation to billed value and notify the service/agency HQ POC if this has been pre-arranged.
LOA fails edit in the entitlement system because of no obligation.	DFAS notifies the appropriate FM to establish an obligation for the specified amount. If the FM is unable to comply within two GBDs, then an appropriate alternate LOA will be identified, an obligation will be placed against it, and payment will be made from it to the US Bank. DFAS will notify the service/agency HQ POC of actions taken.
LOA fails edit in the entitlement system because of validity.	DFAS will attempt to identify the correct LOA. They will notify the appropriate FM of the situation and allow them two GBDs to provide a corrected LOA. If unsuccessful, DFAS will assign the service/agency alternate LOA.
DFAS receives certified MBS.	Once the certified MBS entries have been prevalidated, DFAS will make payment to the US Bank. DFAS will track and distribute appropriation refunds returned to DOD when payments are made in less than 30 days.

10. Dispute Resolution.

a. The following guidelines will be followed regarding the creation of e-Bills for resolving under/overpayments:

Business Rules for Dispute Resolution	
Condition	Rule
Carrier makes additional claim before carrier payment is approved.	Carrier requests a price adjustment using the Notes function in PowerTrack. NOTE: Marine Corps and DLA TOs will also accept phone call requests for price adjustment.
Carrier makes additional claim after carrier payment is approved.	Submit e-Bill up to 16 months after payment. After 16 months, submit price change request to MTMC/Deployment Support Command (DSC).
TO detects overpayment before carrier payment is approved.	TO modifies government-submitted price in PowerTrack and documents reason for price adjustment using the Notes function in PowerTrack.
TO detects overpayment after carrier payment is approved.	TO submits e-Bill within 60 days. After 60 days, submit price change request to MTMC/DSC.

b. A carrier may request a price adjustment before payment is approved by using the Notes functionality of PowerTrack. The carrier also has the option to go through MTMC/DSC to request a price adjustment (see paragraph 10.g). If the carrier payment has already been approved, the carrier may submit an e-Bill up to 16 months after payment. A billing dispute must first go through the e-Bill process before requesting a price adjustment from MTMC. At a minimum, the request to MTMC/DSC must include: POC information (name, phone number, electronic mail (e-mail) address), origin GBLOC, BL number, Shipment Routing identification (ID) (from applicable service shipper system), and statement of the problem or issue. The request may be e-mailed to CostQuestions@mtmc.army.mil or mailed to HQ MTMC Deployment Support Command, MTDC-OPCA, 661 Sheppard Place, Ft Eustis VA 23604-5000, DSN 927-7481; Commercial (757) 878-7481. If this action fails to resolve the dispute, it may be forwarded to the Deputy Chief of Staff for Operations, Military Traffic Management Command, 200 Stovall Street, Alexandria VA 22332-5000. If not resolved at that level the final level of dispute adjudication will be the General Services Administration (GSA), Washington DC.

c. Either the TO or the carrier can submit an e-Bill. After the e-Bill is submitted to PowerTrack, the other party will have three GBDs to respond.

(1) The TO must take one of the following actions within three GBDs of receiving an e-Bill from the carrier:

(a) Approve payment.

(b) Deny payment (remarks documented in a PowerTrack Note required indicating why payment was denied).

(c) Hold payment (remarks required requesting clarification or more information).

(2) The carrier must take one of the following actions within three GBDs of receiving an e-Bill from the TO:

(a) Approve for credit.

(b) Deny credit (remarks using the Notes function to indicate why credit was denied).

(c) Hold credit (remarks using the Notes function required requesting clarification or more information).

d. When the TO or carrier creates an e-Bill, they will reference the CBL (or carrier shipment) number or the user will append sequential letters to the CBL (or carrier shipment) number for each e-Bill created. For example, if the CBL (or carrier shipment) number is MC9912345, the first e-Bill will be assigned the identifier of MC9912345A, the second e-Bill will be assigned the identifier of MC9912345B, etc.

e. Price disputes that cannot be resolved between the TO and the carrier after 60 days will be forwarded to MTMC/DSC for resolution. Follow procedures identified in paragraph 10.b above.

f. Any adjustments in the original payment estimate must be documented in a PowerTrack Note for the purposes of invoice certification and post payment examination.

Business Rules for e-Bills		
Condition	Rule	
TO receives an e-Bill.	TO must take one of the following actions within three GBDs.	Approve payment.
		Deny payment.
		Hold payment.
Carrier receives an e-Bill.	Carrier must take one of the following actions within three GBDs.	Approve payment.
		Deny credit.
		Hold credit.

THIS PAGE INTENTIONALLY LEFT BLANK

ATTACHMENT 2

SEALIFT COMMERCIAL CARRIER PAYMENT BUSINESS RULES

A. PURPOSE

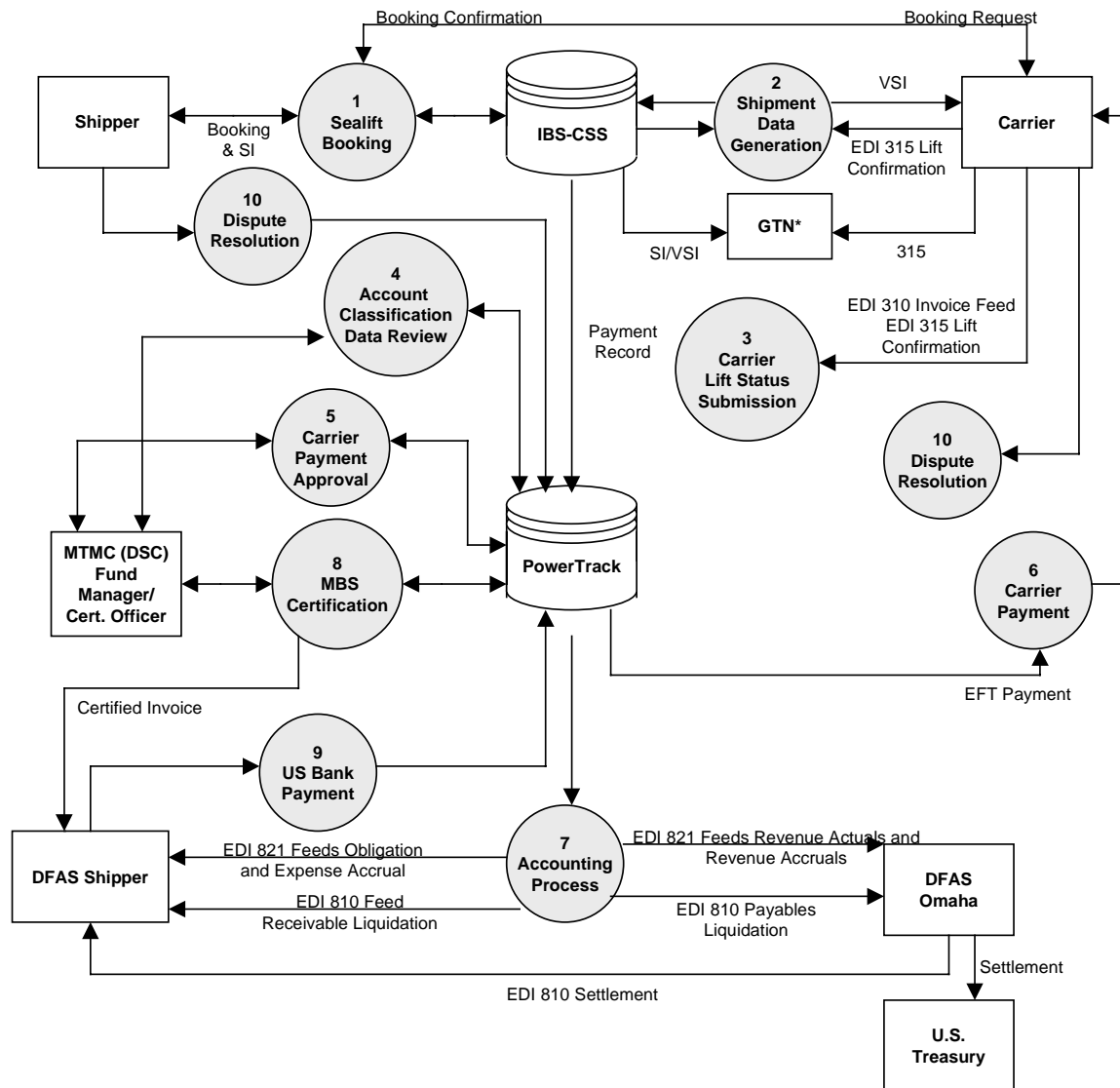
This attachment describes the business rules that govern the sealift commercial carrier payment process. The rules relate to the timing of transactions, confirmation/validation requirements, exception handling, and other issues that may arise during the shipment and payment of sealift commercial cargo. These business rules are inclusive of both the “invoice” and the “invoiceless” approach to a sealift commercial carrier payment.

B. SCOPE

The business rules are applicable to the services and defense agencies. The business rules address carrier payments and the associated accounting requirements. The sealift commercial payment process enables the shipper customer to reimburse MTMC for Outside Continental United States (OCONUS) cargo movement. It also enables MTMC to facilitate payment to the carrier for OCONUS cargo movement. Carriers are paid directly by the US Bank and the US Bank is paid by DFAS.

C. SEALIFT COMMERCIAL CARRIER PAYMENT PROCESS FLOW DIAGRAM

The sealift commercial payment process flow diagram shown below presents a general representation of the sealift business process. The numbers in the process flow diagram correspond to the business rule numbers that are described in following paragraphs.



Sealift Commercial Carrier Payment Process

* GTN receives in-transit visibility data from shipper systems, carriers, and other sources involved in the Defense Transportation System (DTS). All GTN interfaces are not reflected in this diagram.

Figure BB-2-1. Sealift Commercial Carrier Payment Process

D. BUSINESS RULES

The Sealift commercial payment process business rules relate to the 10 primary functions in the payment process:

1. Sealift Booking.
2. Shipment Data Generation.
3. Carrier Lift Status Submission.
4. Accounting Classification Data Review.
5. Carrier Payment Approval.
6. Carrier Payment.
7. Accounting Process.
8. MBS Certification.
9. US Bank Payment.
10. Dispute Resolution.

1. Sealift Booking.

The sealift process begins when the DOD shipper enters a booking request into the Integrated Booking System (IBS) which creates a space reservation for overseas cargo transportation services. Once the ocean carrier confirms a reservation, the confirmed booking is priced out at the Transportation Working Capitol Fund (TWCF) stabilized rate and provided to the shipper as an up-front price estimate. The TO ensures that there is a TAC or LOA on the service request and that a competent authority issued the request. This action also creates an entry in the FM Review which is accessible to the TO, the FM, and DFAS. For the purpose of this attachment, Transportation Control and Movement Document (TCMD) and Shipping Instructions (SI) are interchangeable.

2. Shipment Data Generation.

a. All documentation-based changes will be performed in the source system/IBS-Commercial Sealift Solution (CSS) by the organization that created the data except for carrier status transactions (EDI 315). If a change to 315 data is required, MTMC/DSC will receive the update from the carrier, and will enter it into the IBS-CSS Payment Screen as payment record data.

b. In the event a 315 is not received by PowerTrack, MTMC/DSC and the carrier will first concur that the lift has occurred. Then, the carrier will search PowerTrack and IBS-CSS for orphan records. If an orphan record is found, MTMC will be requested to update the record in IBS-CSS to create a new payment feed for PowerTrack. If no orphan records are found, the carrier will submit the correct 315 data to PowerTrack and IBS-CSS.

c. Shippers will continue to book and receive carrier confirmation (to include carrier costs) and the DTS up-front price via IBS. Additionally, they will continue to make required order adjustments in IBS (prior to the time of lift).

d. After a container has been stuffed and prior to container in-gate, the shippers are responsible for generating and submitting SI/TCMD to IBS-CSS (either directly or via the Worldwide Port System).

e. Carriers have access to the IBS-CSS to view, but not change booking, SI, Verified Shipping Instructions (VSI), and 315 data. MTMC has access to IBS-CSS and can update information.

f. All workload data matching between booking and SI data will be performed and stored in IBS-CSS prior to transmitting it as a “priced-out VSI” to PowerTrack. If there is not a match at the field level for one of the primary data elements then the SI will be neither “verified” nor priced out until the discrepancy is reconciled. The “primary data elements” will include:

(1) Port Call File Number (PCFN).

(2) Port of Embarkation (POE), Port of Debarkation (POD).

(3) Van type, Van size.

(4) Carrier Code, Consignee DODAAC.

(5) Commodity Code.

(6) Origination terms (Transportation Control Number (TCN) character 15) and destination terms (TCN character 16).

(7) First 14 characters of the TCN.

(8) Number and location of stopoffs.

Business Rules for Sealift Matching Data Elements		
Condition	Rule	
Workload data matching primary data elements.	Shipper must correct data in IBS-CSS within three GBDs after mismatch is flagged. After correction is made, VSI will be generated, priced out, and transmitted to PowerTrack.	PCFN.
		POE, POD.
		Van type, Van size.
		Carrier Code, Consignee DODAAC.
		Commodity Code.
		Origination terms (TCN character 15) and destination terms (TCN character 16).
		First 14 characters of the TCN.
		Number and location of stopoffs.

g. It is possible that additional data elements (e.g., point of origin/destination, all accessorial) will be added to this list.

h. Corrections to mismatched data are to be reconciled in IBS-CSS within three GBDs from the time the mismatch is flagged. After the correction has been made, the VSI will be generated, priced out, and transmitted to PowerTrack.

i. IBS-CSS will generate and transmit the VSI (not priced) to the carrier via auto-facsimile (FAX). The priced-out VSI (generated in IBS-CSS) will be transmitted electronically to PowerTrack. This price will be calculated based on the services ordered and the contract under which the service request was booked.

j. Carrier payment will be based on the services provided under the contract in effect at the time lift occurs.

k. In accordance with the Universal Service Contract-02, the carriers will generate and transmit 315s to IBS (via the DOD EDI mailbox) for the “Vessel Departure” (VD) event.

l. The carrier is to generate and transmit one 315 transaction to IBS-CSS for each container lifted. They will also transmit 315 data to the US Bank for entry into PowerTrack.

m. Upon receipt of the 315 data in IBS, IBS-CSS will match workload data between the VSIs and the 315s. The workload data includes POE, POD, Consignee DODAAC, Consignor DODAAC, Contract Number, Carrier, Van Type, Van Size, Ship Name, Sail Date, Contract Terms, Container Number, and Voyage Number. If there is a data discrepancy that results in a price change (from the original priced-out VSI transmitted to PowerTrack), then the VSI will be re-priced and re-transmitted to PowerTrack.

n. If the carrier payment has not yet been executed via PowerTrack, then the “re-adjusted VSI” will serve as the government's expected charges. If payment has been executed (using the original priced-out VSI), then the price variance will be offset via the e-Bill process.

o. MTMC/DSC is to ensure that the carrier is provided with a VSI prior to the vessel cut-off date.

3. Carrier Lift Status Submission.

a. The carrier will perform services according to the VSI.

b. The carrier may submit the notification of lift via an EDI transaction set. Regardless of the invoice submission option, the carrier is required to submit status transactions (EDI 315s) to confirm lift.

c. The “Bill To” field will contain “US-Bank-PowerTrack” to identify PowerTrack shipments.

4. Accounting Classification Data Review.

a. The FM will review the PowerTrack FM Review to confirm whether the LOAs they manage are being used properly, and to confirm a proper obligation exists. If they determine an LOA and SDN or TAC must be changed, they will contact the TO responsible for the shipment record. Any errors referred to the TO by the FM will be documented using the Notes functionality of PowerTrack, and must be manually corrected on the MBS (see paragraph 8.e).

b. If an invalid (i.e., non-existent or improperly used) LOA and SDN or TAC is identified, the FM will check with whomever requested the shipment to obtain a valid LOA and SDN or TAC within three GBDs.

c. The MTMC FM will respond within two GBDs to DFAS payment office inquiries. They will provide necessary data to these offices so the payment office can complete the disbursement process to the US Bank.

Business Rules for Accounting Classification Data Review	
Condition	Rule
FM determines that an LOA and SDN or TAC is being used improperly.	FM contacts TO. TO contacts customer that requested shipment obtains correct TAC or LOA & SDN information, documents the change using the Notes function in PowerTrack, and notifies FM of action taken within three GBDs of being contacted by FM.

5. Carrier Payment Approval.

a. Payment Requirements.

(1) The carrier payment process can not begin until there is confirmation that services have been performed. The event to confirm that services have been performed will be the receipt of the carrier's status transaction (EDI 315) for the “VD” event. Confirmation of lift must be recorded in PowerTrack before the carrier is paid.

(2) MTMC/DSC will approve payment for the amount that is determined as the government's responsibility to pay. The amount the government is responsible to pay includes the rate for the shipment and any accessorial charges as specified in the contract.

(3) Carriers will have the option of either submitting an electronic invoice to PowerTrack or not. If the carrier is submitting an invoice (the invoice approach), they will not have the option for manual payment approval (automatic-approval only). If the carrier is not sending an invoice (the invoiceless approach), payment can be executed either automatically or manually, depending on the carrier's preference.

(4) All pricing details by PCFN, container, or type of service level will be viewable in PowerTrack. Carriers will not have the capability to view the price in IBS-CSS prior to sending an invoice/payment request (or 315 transactions for invoiceless approach) to PowerTrack.

(5) VSI data will always be priced out at the ocean freight, accessorial, and type of service level for transmission to PowerTrack.

If a priced-out VSI has not been generated by the time the carrier's 315 is received by PowerTrack, MTMC/DSC will ensure that one is transmitted to PowerTrack within three GBDs from the time the 315 was received in PowerTrack.

(6) If the carrier is submitting an invoice to PowerTrack, they will have the option of transmitting the payment requests at either a homogeneous booking level, at the individual container level, or any combination of the two.

(7) Any post lift charges incurred as a result of detention or diversion will be processed as they are done in the current environment. Otherwise, they will be resolved via the e-Bill process.

(8) Carrier invoices will separate the charges into the type of service level.

(9) A transaction can be updated in PowerTrack prior to remitting payment to the carrier. PowerTrack will accept and replace transaction sets with the most recently submitted data. In situations where transactions are updated, remarks must be documented by a Notes entry in PowerTrack for audit purposes.

(10) MTMC/DSC will review reports to identify late shipments that were automatically approved for payment. If payment for a late shipment was automatically approved, MTMC/DSC will submit an e-Bill to request an appropriate adjustment in price.

(11) MTMC/DSC can update a transaction in PowerTrack before the US Bank remits payment to the carrier. PowerTrack will update the transaction file with the most recently submitted data. In those situations where transactions are updated, the TO that approved the change must enter a Note in PowerTrack explaining why the change was made. The following rules apply when updating shipment data prior to remitting payment to the carrier.

(a) All changes affecting cost must be recorded in PowerTrack either directly or as an update from the shipper system (Note: PowerTrack currently does not accept updates from shipper systems).

(b) After the carrier has been paid by the US Bank, any changes to price or shipment data must be submitted via the e-Bill process.

Business Rules for Sealift Carrier Payment Requirements	
Condition	Rules
Carrier 315 received in PowerTrack, and there is no priced out VSI.	MTMC/DSC ensures priced out VSI is transmitted to PowerTrack within three GBDs.
Carrier chooses to submit an invoice to PowerTrack.	Carrier will have the option of transmitting the payment requests at either a homogenous booking level, at individual container level, or any combination of the two.
Post-Lift charges are incurred as a result of detention or diversion.	Resolved using e-Bill process.

b. Invoice Approach

(1) If the carrier has elected to submit an invoice, payment can be executed under the automatic approval approach if the dollar amounts in MTMC's priced-out VSI equals the amount in the

carrier's invoice transmission, and if the PCFN, Van Owner, Container Number, and SCAC match as well.

(2) If the priced-out VSIs and the carrier's invoice do not match, payment can be made to the carrier at the lower of the two amounts. Then, after payment has been executed, the carrier and MTMC/DSC will resolve the discrepancy, and the resulting offset will be adjusted via the e-Bill process.

(3) MTMC will have the option of establishing a tolerance level with the US Bank outside of which payment will not be automatic. Rather, the entire transaction will be put on hold, and no payment will be made until resolution is achieved.

(4) For carriers following the invoice approach, they will submit their invoice data (310 is needed if submitting invoice electronically) to PowerTrack after VD. This invoice will have a data element structure agreed to by all participants (Government, carrier, US Bank).

Business Rules for Sealift Carrier Payment – Invoice Approach		
Condition	Rule	
Invoice approach-carrier submits an invoice. Priced out VSI and carrier's invoice are compared.	Data elements PCFN, van owner, container number, and SCAC match, prices match exactly.	Transaction is approved and payment executed within three GBDs.
	Data elements PCFN, van owner, container number, and SCAC match, prices match within tolerances set by MTMC.	Lower price is approved and payment executed within three GBDs.
	Data elements match, prices vary by more than tolerances set by MTMC.	Transaction placed on hold. No payment made until resolution is achieved.

c. Invoiceless Approach.

(1) If the carrier sends only a status transaction (315) to PowerTrack (no invoice), PowerTrack will automatically generate a payment transaction when the carrier's 315 enters PowerTrack and there is a match between the 315 and MTMC's priced-out VSI. This matching is done at the PCFN-container level, and will match PCFN, Van Owner, Container Number, and SCAC.

(2) Under the automatic-approval approach, the transactions will be automatically executed upon matching of the PCFN, Container Number and SCAC.

(3) Under the manual pay approach, the carrier must take one of the following actions within three GBDs after notification of lift:

- (a) Accept the payment.
- (b) Dispute the payment.
- (c) Place on hold until MTMC and the carrier resolve the discrepancy.

Business Rules for Sealift Carrier Payment – Invoiceless Approach		
Condition		Rule
Invoiceless approach – carrier does not submit an invoice. Priced out VSI and carrier’s 315 are compared at container level.	Automatic-Approval – Data Elements PCFN, Van Owner, Container Number, and SCAC match.	Transaction is approved and payment executed within three GBDs.
	Manual Approval - Data Elements PCFN, Van Owner, Container Number, and SCAC match. Carrier must take one of the following actions within three GBDs:	Accept payment.
		Dispute payment.
		Place on hold until MTMC and the carrier resolve the discrepancy.
	If carrier does not respond within three GBDs.	Payment is automatically executed. Adjustments made using e-Bill process.

6. Carrier Payment.

The US Bank will not pay the carrier until notification of lift (315) occurs. After receiving the lift notification, PowerTrack will attempt to match the 315 data (and 310 in the Invoice Approach) with the priced-out VSI from CSS. If there is a match, the transaction will be automatically approved, and a payment will be executed from the bank to the carrier within three GBDs. If there are discrepancies and MTMC/DSC action is required, the US Bank will pay the carrier within three GBDs from either 1) transaction approval, or 2) transaction resolution via an e-Bill.

7. Accounting Process.

a. Obligation and Budgetary Resources.

(1) Obligation and budgetary resources are established at the time of booking/EDI 858 transaction set in PowerTrack. This is triggered by a priced out VSI.

(2) Upon receipt of the TCMD/SI electronic file, as priced by the agency/Services' source system, US Bank PowerTrack will generate an EDI 821 transaction set for the DFAS customer Operating Location (OPLOC) to establish an obligation. An identical copy of the EDI 821 transaction set will be sent to the DFAS Omaha office for recording the receipt of the budgetary resources required to fund performance of the transportation service.

b. Expense and Revenue Accruals.

(1) Expense and revenue accruals are established at the time billing substantiation from lift status (EDI 315) from the carrier is received by US Bank PowerTrack.

(2) Upon receipt of lift confirmation, US Bank PowerTrack will generate an EDI 821 transaction set for each lift. This price confirmed transaction will be provided to the DFAS activity that services the customer for offsetting the obligations and recording the expense accruals on the customer's accounting records. An identical copy of the same transaction (EDI 821) that was sent to the

DFAS customer OPLOC activity for establishment of expense accrual, will be sent to DFAS Omaha for the validation of revenue already recorded.

c. Expense and Revenue Actuals. Expense and revenue actuals are established at the time settlement data is received at DFAS.

(1) Short Term - US Bank PowerTrack will generate a manual detail and summary report (equivalent of an EDI 810 transaction set) for the DFAS customer OPLOC and DFAS Omaha to record expenses and revenue actuals. This report will be available on-line (per Interim DFAS Procedures).

(2) Long Term - US Bank PowerTrack will generate summary and detail report (EDI 810 Transaction set) for the DFAS customer and DFAS Omaha to recognize expenses and revenue actuals. For all approved transactions and/or aging (over 48 hrs) undisputed transactions, US Bank PowerTrack will generate a summary EDI 810 transaction set to DFAS for settlement through United States (U.S.) Treasury on a daily basis. An identical copy of the summary EDI 810 transactions set, along with details that support the summary transaction will be provided to the DFAS customer OPLOC and DFAS Omaha. Settled EDI 810 transaction sets will be reconciled to the details received from US Bank PowerTrack. Disbursements and collections will be recorded based upon details accompanying the summary EDI 810.

Business Rules for Accounting Process	
Condition	Rule
Priced out VSI triggers booking/858 transaction set in PowerTrack.	Obligation and budgetary resources are established.
PowerTrack receives TCMD/SI electronic file.	PowerTrack generates an EDI 831 transaction set for DFAS customer OPLOC to establish obligation.
	PowerTrack sends identical report to DFAS-Omaha.
PowerTrack receives Notification of Lift (EDI 315).	Expense and Revenue Accruals are established.
	PowerTrack will generate a report (equivalent of EDI 821 transaction set) for the DFAS activity that services that customer. It will be used for offsetting the obligations and recording the expense accruals on the customer's accounting records.
	PowerTrack sends identical copy to DFAS-Omaha for the validation of the revenue already recorded.
DFAS receives settlement data.	Expense and Revenue Actuals are established.
	Short-term – PowerTrack will generate a manual detail and summary report (equivalent to EDI 810 transaction set) for the DFAS customer OPLOC and DFAS-Omaha to record expense and revenue actuals.
	Long-term – PowerTrack will generate summary and detail report (EDI 810 transaction set) for the customer's DFAS activity and Transportation Component Command (TCC) to recognize expenses and revenue actuals.

8. MBS Certification.

a. Procedures for Certifying Officer Legislation apply. The responsibilities for certifying officers, accountable officials, and reviewing officials are contained in DODFMR 7000.14-R, Volume 5, Chapter 33.

b. The MBS must be accessed through the PowerTrack website (<http://www.usbank.com/powertrack/>) (no hard copy will be mailed to the Certifying Officer). The Certifying Officer will print the MBS two GBDs after the 15th of the month or two GBDs following the date when the US Bank generates the MBS, whichever occurs later. The Certifying Officer will stamp the availability date on the MBS.

c. The Certifying Officer should utilize the FM Review to work ahead and start researching MBS entries in advance to speed up the certification process. The FM Review can be accessed daily to build next month's MBS.

(1) The day following the date of last month's MBS (typically, the 16th or 17th of the month), run a FM Review query for all carrier payments for the specified TO. The result will be in effect that day's entries for next month's MBS. Whenever the FM Review is run, ensure that the day following last month's MBS date is the start point and that the report always is for carrier payments which are the basis for MBS entries.

(2) Continuing to run a cumulative query throughout the month will build the MBS data ahead of time and allow certification reviews to be made daily, which will spread out the certification workload throughout the month. If errors to accounting classifications are discovered, corrections may then be made in PowerTrack to the accounting classification charged for a shipment up to the date of the MBS production. This would also allow e-Bill adjustments to be submitted in a more timely manner.

(3) Any LOA or TAC conversion errors must be corrected in the PowerTrack shipment record if possible, and documented using the Notes functionality. Errors identified after the MBS has been created can not be changed in the PowerTrack shipment record, but must be manually corrected on the MBS, and documented in PowerTrack with a Note.

(4) When the MBS is accessed through the PowerTrack website and printed, compare it to the annotated FM Review to ensure that the appropriate MBS detail transactions were previously reviewed.

d. The Certifying Officer will review the MBS from the US Bank to ensure that it reflects the actual carrier payments. The Certifying Officer will accomplish a prepayment review as required by the DODFMR 7000.14-R, Volume 5, Chapter 33.

e. The Certifying Officer certifies the MBS. After signing the MBS, route through other office(s) for review if required by service HQs (i.e., local finance service office or higher HQs). A copy of the annotated FM Review (or equivalent document) is attached when required by the DFAS payment center designated for that TO. The MBS must be sent to the appropriate DFAS payment center in sufficient time to allow DFAS to process it for payment, receive a refund for early payment, and avoid penalties under the Prompt Payment Act (see paragraph 8.f).

(1) One MBS will be created per TO.

(2) Prior to certification of the MBS, the Certifying Officer will review sampled LOAs and SDNs according to the DODFMR 7000.14-R, Volume 5, Chapter 33, to ensure they are appropriate based on supporting automated documentation.

(3) If the MBS is missing the shipper's appropriation or the appropriation is apparently incorrect, the Certifying Officer will contact the shipper/activity FM to resolve the discrepancy in PowerTrack. The TO will prepare a Note in PowerTrack documenting the actions taken to establish the correct appropriation. The correct LOA and SDN or TAC must be manually entered on the MBS prior to forwarding to DFAS.

(4) Designated DFAS payment centers (for addresses go to <http://www.dfas.mil>):

(a) Navy DFAS- Norfolk

- (b) Marine Corps DFAS-Kansas City
- (c) Army DFAS-Indianapolis
- (d) Air Force DFAS-OPLOCs that support Air Force
- (e) DLA DFAS-Columbus

f. The MBS must be certified by the Certifying Officer with manual corrections to the LOA and associated Notes entry made in PowerTrack and received by the designated DFAS payment center by the fifth GBD following the date the MBS is available. This is to ensure the DFAS payment center has sufficient time to process the MBS for payment, receive a refund for early payment, and avoid penalties under the Prompt Payment Act.

Business Rules for MBS Certification	
Condition	Rule
The US Bank makes the MBS available for printing by the Certifying Officer in PowerTrack.	Certifying Officer prints out and stamps availability date on MBS.
The Certifying Officer utilizes the FM Review to work ahead, researching MBS entries in advance to speed up the certification process.	Run a cumulative query throughout the month to build the MBS ahead of time and allow certification reviews to be made daily. This will spread out the certification workload throughout the month. This would also allow e-Bill adjustments to be submitted in a timelier manner.
Certifying Officer performs prepayment review.	Certifying Officer will accomplish a prepayment review as required by the DODFMR 7000.14-R, Volume 5, Chapter 33.
Certifying Officer discovers overpayment.	Certifying Officer effects price adjustment using the e-Bill process and the TO enters the appropriate Note in PowerTrack.
Certifying Officer determines the MBS to be correct and proper.	Certifying Officer signs MBS and submits it along with the annotated FM Review or equivalent document to proper DFAS component for their service. The MBS must be certified by the Certifying Officer and received by the designated DFAS payment center by fifth GBD following the date the MBS is available.

9. US Bank Payment.

a. The MBS is provided at the summary and detail level in PowerTrack. The Summary MBS provides an overview of account activity and transaction billing information summarized at the LOA level. Depending on service/agency requirements for input into the shipper system, the LOA may or may not include the SDN. The Detail MBS lists all the transactions that were paid during the statement cycle and shows the carrier, BL number, date, shipment origin, destination and freight cost.

b. If the DFAS payment office receives a certified MBS with an LOA that fails edit in the entitlement system because of insufficient obligations, DFAS will increase the obligation to the billed value if that arrangement has been pre-established. If the LOA fails the edit because of no obligation, DFAS will either establish an obligation (if the FM can identify appropriate accounting data) or will assign the current alternate LOA that applies to that shipper as established by the shipper's HQs. If the LOA fails the edit because of validity, DFAS will attempt to identify the correct LOA. If unsuccessful, DFAS will assign the service/agency alternate LOA to billed value and notify the service/agency HQ POC. DFAS will then process the payment to the US Bank. The DFAS payment office will notify the service/agency HQ of any obligation increase, the establishment of any obligation, or the use of the alternate LOA. This action will be in accordance with currently established DFAS interim manual operating procedures.

c. When FMs obligate in bulk, prevalidation of the MBS by DFAS is greatly simplified and accomplished rapidly. When possible, FMs should establish bulk obligations for transportation services so that the accounting will be easier and the likelihood of DOD receiving a refund for rapid payment of the MBS to the US Bank will be increased.

d. Prompt Payment Act interest begins to accrue 15 days after the date the MBS is made available to the Certifying Official. Therefore, it is imperative that Certifying Officials complete their review and certification of the MBS within three days of its availability. Additionally, there is a contractual incentive that provides the DOD with a rebate when payments are made within 30 days. The faster that payments are made to the US Bank, the more refund dollars DOD will realize. DFAS will track and distribute appropriation refunds returned to DOD via this process.

Business Rules for Bank Payment	
Condition	Rule
LOA fails edit in the entitlement system because of insufficient obligation.	DFAS will increase obligation to billed value and notify the service/agency HQ POC if this has been pre-arranged.
LOA fails edit in the entitlement system because of no obligation.	DFAS notifies the appropriate FM to establish an obligation for the specified amount. If the FM is unable to comply with two GBDs, then an appropriate alternate LOA will be identified, an obligation will be placed against it, and payment will be made from it to the US Bank. DFAS will notify the service/agency HQ POC of actions taken.
LOA fails edit in the entitlement system because of validity.	DFAS will attempt to identify the correct LOA. They will notify the appropriate FM of the situation and allow them two GBDs to provide a corrected LOA. If unsuccessful DFAS will assign the service/agency alternate LOA.
DFAS receives certified MBS.	Once the certified MBS entries have been prevalidated, DFAS will make payment to the US Bank. DFAS will track and distribute appropriation refunds returned to DOD when payments are made in less than 30 days.

10. Dispute Resolution.

- a. The following guidelines will be followed regarding the creation of e-Bills for resolving under/overpayments:

Business Rules for Dispute Resolution	
Condition	Rule
Before carrier payment is approved.	Carrier can request a price adjustment using the Notes function in PowerTrack. NOTE: DLA TOs will also accept phone call requests for price adjustment.
Carrier makes additional claim after carrier payment is approved.	Submit e-Bill up to 16 months after payment. After 16 months, submit price change request to MTMC/DSC.
TO detects overpayment before carrier payment is approved.	TO modifies government submitted price in PowerTrack and documents reason for price adjustment using the Notes function.
TO detects overpayment after carrier payment is approved.	TO submits e-Bill within 60 days. After 60 days, submit price change request to MTMC/DSC.

b. A carrier may request a price adjustment before payment is approved by using the Notes functionality of PowerTrack. The carrier also has the option to go through MTMC/DSC to request a price adjustment (see paragraph 10.e). If the carrier payment has already been approved, the carrier may submit an e-Bill up to 16 months after payment. A billing dispute must first go through the e-Bill process before requesting a price adjustment from MTMC. At a minimum, the request to MTMC/DSC must include: POC information (name, phone number, e-mail address), origin GBLOC, BL number, Shipment Routing ID (from applicable service shipper system), and statement of the problem or issue. The request may be e-mailed to CostQuestions@mtmc.army.mil or mailed to HQ MTMC Deployment Support Command, MTDC-OPCA, 661 Sheppard Place, Ft Eustis VA 23604-5000, DSN 927-7481; Commercial (757) 878-7481. Price disputes that cannot be resolved between MTMC/DSC and the carrier after 60 days will be forwarded to the MTMC Contracting Officer for resolution.

c. In the event that a data update results in a price change after a transaction has been approved for payment, yet prior to execution of the transaction (invoiceless manual payment approach), the transaction will not be executed. MTMC and the carrier will be notified in an exception report. They will then need to reconcile the discrepancy and re-approve the transaction.

d. Once a resolution is achieved, the transaction or data will then be correctly updated in both PowerTrack and the source system. Remarks will also be made in PowerTrack for audit control purposes.¹ Payment will then be remitted to the carrier via electronic funds transfer (EFT). (Rules governing EFT payment will be finalized with each carrier individually by the US Bank.)

e. Either MTMC/DSC or the carrier can submit an e-Bill. After the e-Bill is submitted to PowerTrack, the other party will have three GBDs to respond.

(1) The TO must take one of the following actions within three GBDs of receiving an e-Bill from the carrier:

(a) Approve payment.

(b) Deny payment (remarks documented in a PowerTrack Note required indicating why payment was denied).

(c) Hold payment (remarks required requesting clarification or more information).

(2) The carrier must take one of the following actions within three GBDs of receiving an e-Bill from the TO:

(a) Approve for credit.

(b) Deny credit (remarks using the Notes function to indicate why credit was denied.)

(c) Hold credit (remarks required requesting clarification or more information).

(3) Once a response is received for a transaction request placed “on hold,” the party that placed the “hold” has three GBDs to approve or deny the e-Bill.

f. When MTMC/DSC or carrier creates an e-Bill, they will reference the PCFN/container number (which becomes the document ID), or the user will append sequential letters to the document ID. For example, for the first e-Bill, the document ID would be appended with an “A,” the second would be appended with a “B,” etc.

g. If an e-Bill is disputed, the transaction will not be executed until resolution is obtained.

¹ If the error pertains to the 315, then the carrier will make the correction and remarks in PowerTrack. If the error pertains to either booking or *S/NSI* data, then MTMC-DSC will make the correction in IBS-CSS. IBS-CSS will then re-price and send the updated transaction to PowerTrack.

Business Rules for e-Bills		
Condition	Rule	
MTMC/DSC receives an e-Bill.	MTMC/DSC must take one of the following actions within three GBDs:	Approve payment.
		Deny payment.
		Hold credit.
Carrier receives an e-Bill.	Carrier must take one of the following actions within three GBDs:	Approve payment.
		Deny payment.
		Hold credit.

ATTACHMENT 3

COMMERCIAL AIR LINES OF COMMUNICATION (COMALOC) PAYMENT BUSINESS RULES

A. PURPOSE

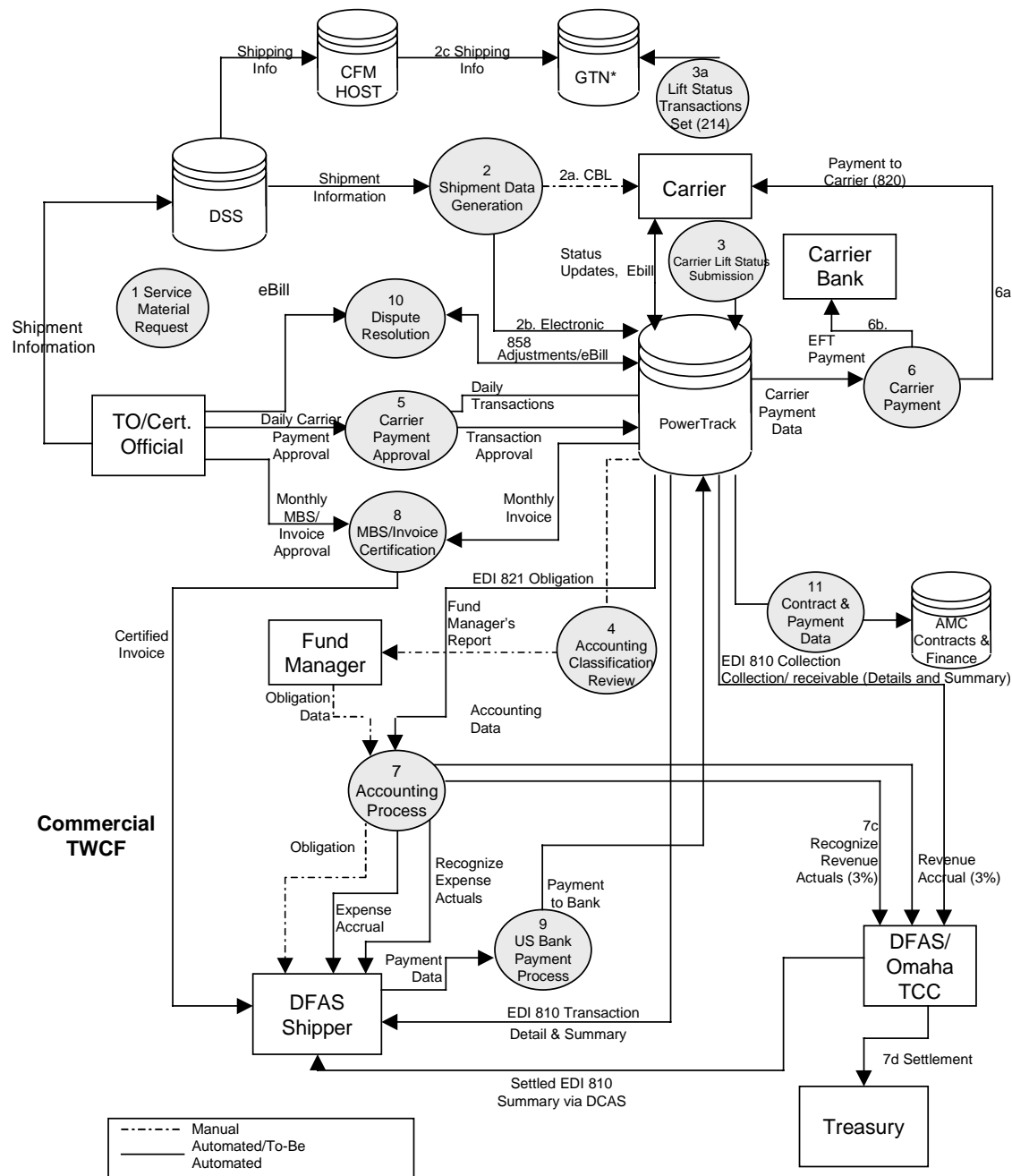
This attachment describes the business rules that govern the COMALOC payment process. COMALOC shipments are the Category “A” cargo pallets moved from DLA depots to overseas ports by commercial carriers under contract to the Air Mobility Command (AMC). The rules relate to the timing of transactions, confirmation/validation requirements, exception handling, and other issues that may arise during shipment and payment of COMALOC cargo using the US Bank PowerTrack system.

B. SCOPE

The business rules are applicable to COMALOC shipments only. The business rules address the COMALOC commercial carrier payment process and the associated accounting requirements. The COMALOC commercial payment process enables DFAS to reimburse the US Bank for carrier payments. It also enables DFAS to bill the shipper customer for cargo movement services and a contract administration fee. The Self/Government-Invoicing Model and the Matching Model will be used to approve COMALOC payments.

C. COMALOC PAYMENT PROCESS FLOW DIAGRAM

The COMALOC payment process flow diagram shown below presents a general representation of the COMALOC business process. The numbers in the process flow diagram correspond to the business rule numbers that are described in following paragraphs.



COMALOC PAYMENT PROCESS FLOW DIAGRAM

* GTN receives in-transit visibility data from shipper systems, carriers, and other sources involved in the Defense Transportation System (DTS). All GTN interfaces are not reflected in this diagram.

Figure BB-3-1. COMALOC Payment Process Flow Diagram

D. BUSINESS RULES

The airlift commercial payment process business rules relate to the 11 primary functions in the COMALOC payment process:

1. Service Materiel Request.
2. Shipment Data Generation.
3. Carrier Lift Status Submission.
 - 3a. Lift Status Transactions Set (214).
4. Accounting Classification Review.
5. Carrier Payment Approval.
6. Carrier Payment.
7. Accounting Process.
8. MBS/Invoice Certification.
9. US Bank Payment Process.
10. Dispute Resolution.
11. Contract and Payment Data.

1. Service Materiel Request.

The materiel movement process begins when the DLA Consolidation and Containerization Points (CCP) receives materiel from a designated shipping site. Upon receipt of the materiel requisition, the DLA CCP TO will initiate the movement process by entering the shipment information into DSS. The TO ensures that there is a TAC or LOA and SDN on the service request and that competent authority issued the request.

2. Shipment Data Generation.

a. The COMALOC shipments will be manifested and picked up at a DLA CCP and moved to an overseas port by an airlift commercial carrier.

b. The shipment data (858 transaction set- including contract and sub-Contract Line Item Number information) must be transmitted to PowerTrack, using the shipper system (DSS), within 24 hours after the cargo has been picked up. When CBLs are created manually due to system non-availability, the TO will subsequently enter the data into the shipper system.

c. The TO will use the shipping site's DODAAC to identify the site on the CBL. If the wrong identifier is used, the shipment will not be assigned to the correct PowerTrack account.

d. The TO will enter the carrier's SCAC in the shipper system. The SCAC will be used by PowerTrack to identify the carrier moving the shipment.

e. The "Bill To" field will contain "US-Bank-PowerTrack" to identify PowerTrack shipments.

3. Carrier Lift Status Submission.

a. The carrier will perform services according to the shipping instructions as specified in the contract.

b. The carrier must report notification of delivery of the shipment to PowerTrack before the payment can be made.

c. The carrier may submit the notification of delivery via an EDI transaction set, through PowerTrack's web interface, or by telephone.

4. Accounting Classification Review.

a. The FM will review the PowerTrack FM Review to confirm whether the LOAs they manage are being used properly, and to confirm a proper obligation exists. If they determine an LOA and SDN or TAC must be changed (i.e., non-existent or improperly used), they will contact the TO responsible for the shipment record. Any errors referred to the TO by the FM will be corrected and documented using the Notes function in PowerTrack within three GBDs. If an invalid LOA and SDN or TAC is identified, the DLA/Defense Distribution Depot San Joaquin (DDC) FM will check with the shipper to obtain a valid LOA and SDN or TAC within three GBDs.

b. If the shipper takes no action, an automatic payment transaction will be processed on the third GBD using the alternate LOA for that customer.

Business Rules for Accounting Classification Review	
Condition	Rule
FM determines that an LOA/TAC/SDN is being used improperly.	FM contacts TO. TO contacts customer that requested shipment, obtains correct TAC/LOA and SDN information, and documents change in PowerTrack using Notes function within three GBDs of being contacted by FM.

5. Carrier Payment Approval.

The DLA/DDC FM will set the maximum dollar amount of a shipment that can be approved by individuals in the TO. Individuals may be assigned a maximum approval dollar amount based upon workload and carrier performance characteristics. If the CBL price on a shipment exceeds a user's maximum, that user will not be able to approve carrier payment.

a. Payment Requirements.

(1) The carrier payment process cannot begin until there is confirmation in PowerTrack that services have been performed. The event to confirm that services have been performed will be the receipt of the carrier's notification of delivery. Actual carrier payment will be based on the services provided under the CBL.

(2) Wherever possible, a separation of duties should be maintained and the person who approves carrier payment should be different from the person who created the CBL.

b. Manual Approval of Payment Requirements.

(1) The TO must approve for payment the amount they determine the government is responsible to pay. Overpayments will be resolved using the e-Bill process. Any adjustments in the

original payment estimate must be documented using the Notes function of PowerTrack for the purposes of invoice certification and post payment examination. Notes can be used prior to payment settlement; e-Bills are used after payment settlement.

(2) The TO must do one of the following not later than three GBDs after notification of delivery:

(a) Approve the payment.

(b) Adjust the price, approve the payment, and record the reason for the adjustment in a PowerTrack Note.

(c) If an eBill is not appropriate, place on hold and request additional information from carrier.

(d) Deny payment and record reason in a Note.

(3) Once a response from a carrier is received on a hold, the TO that placed the hold has three GBDs to approve or deny payment.

(4) The TO can update a transaction in PowerTrack before the US Bank remits payment to the carrier. In those situations where transactions are updated, the TO that approved the change must enter a Note in PowerTrack explaining why the change was made. The following rules apply when updating shipment data prior to remitting payment to the carrier.

(a) All changes affecting cost must be recorded in PowerTrack either directly or as an update from the shipper system (Note: PowerTrack currently does not accept updates from shipper systems.)

(b) After the carrier has been paid by the US Bank, any changes to price or shipment data must be entered into PowerTrack via the e-Bill process.

Business Rules for Manual Carrier Payment Approval		
Condition	Rule	
Shipment is manually approved.	TO must take one of the following actions within three GBDs, and document relevant details by entering a Note in PowerTrack.	Approve government submitted price.
		Adjust government price and approve.
		Place shipment payment on hold and request additional information from the carrier.
Shipment is placed on hold and carrier is sent information request.	Carrier payment shall not be made until resolved and approved.	
TO receives response to information request.	TO must approve or deny payment within three GBDs.	

(c) Automatic Approval of Payments. In the Automatic Approval Model, matching criteria, parameters, and tolerances can be established in the requirements for payment approval.

Business Rules for Automatic Approval of Payment		
Condition		Rule
Matching Model (shipper and carrier submit a price).	Price difference is not more than the maximum established by the service HQ.	PowerTrack automatically approves and executes payment to the carrier within three GBDs of receiving notification of delivery.
	Price difference is more than the maximum established by the service HQ.	PowerTrack places the shipment on hold for manual approval.
Government Invoicing Model or Carrier Invoicing Model.	Price is below the maximum ceiling established by the service HQ.	PowerTrack automatically approves and executes payment to the carrier within three GBDs of receiving notification of delivery.
	Price is above the maximum ceiling established by the service HQ.	PowerTrack places the shipment on hold for manual approval.

6. Carrier Payment.

The US Bank will not pay the carrier until notification of delivery and TO approval is received. The carrier payment approval process outlines the actions that TOs should use to approve transactions. The US Bank will pay the carrier after approval by the TO (manual or automatic approval) not later than three GBD after notification of delivery by the carrier.

7. Accounting Process.

a. The US Bank will compute the contract administration fee based on three percent of the payments made to the carriers. The administrative fee will be computed as payments are made to the carriers and will be made available to DFAS Omaha on a monthly basis. The three percent contract administration fee transaction will be processed like other TWCF accounting transactions. DFAS Omaha will send a 1080 monthly summary transaction of the three percent payment to the DFAS customer OPLOC via DCAS to adjust the account balances and make the settlement with the U.S. Treasury. Approved EDI transactions (both airlift cost and administration fee) and e-Bill data will then be forwarded to DFAS to support the following:

(1) Obligation and budgetary resources.

(2) Shipper FM responsibilities.

(a) Ensure obligations for shipments are properly posted and the LOA/TACs are valid and appropriate for shipments using that activity's funds.

(b) Review the PowerTrack FM Review and ensure obligations are recorded in the official accounting system that supports the FM.

(c) Notify TOs and customers if LOA/SDNs and/or TACs are used incorrectly.

b. Upon receipt of the shipment data (858 transaction set) from DSS, PowerTrack will generate an EDI 821 transaction set for the DFAS customer OPLOC to establish an obligation. An identical copy of the 821 EDI transaction will be sent to the DFAS Omaha office for recording the receipt of the budgetary resources required to fund performance of the transportation service.

c. Expense and Revenue Accruals.

(1) Expense and revenue accruals are established at the time billing substantiation from DSS is received by US Bank PowerTrack.

(2) Upon receipt of billing substantiation, US Bank PowerTrack will generate an EDI 821 transaction set for each individual service request. This price confirmed transaction would be provided to the DFAS customer OPLOC for offsetting the obligations and recording the expense accruals on the customer's accounting records. An identical copy of the same transaction will be sent to DFAS Omaha for the validation of revenue already recorded.

d. Expense and Revenue Actuals.

(1) Expense and revenue actuals are established at the time settlement data is received at DFAS.

(a) Short Term - US Bank PowerTrack will generate a manual detail and summary report (equivalent of an EDI 810 transaction set) for the DFAS customer OPLOC and DFAS Omaha to record expenses and revenue actuals. This report will be available on-line (per Interim DFAS Procedures).

(b) Long Term - US Bank PowerTrack will generate summary and detail report (EDI 810 Transaction set) for the customer's DFAS activity and TCC to recognize expenses and revenue actuals.

(2) For all approved and/or aged (over 48 hrs) undisputed transactions, US Bank PowerTrack will generate a daily summary EDI 810 transaction set to DFAS for settlement through the U.S. Treasury. An identical copy of the summary EDI 810 transactions set, along with details that support the summary transaction will be provided to the DFAS customer OPLOC and DFAS Omaha. Settled EDI 810 transaction sets will be reconciled to the details received from US Bank PowerTrack. Disbursements and collections will be recorded based upon details accompanying the summary EDI 810.

Business Rules for COMALOC Accounting Process	
Condition	Rule
PowerTrack receives shipment data 858 transaction set.	PowerTrack generates EDI 821 transaction set for the DFAS customer OPLOC to establish an obligation.
	PowerTrack sends an identical copy of the report to DFAS-Omaha for recording receipt of the budgetary resources.
PowerTrack receives billing substantiation from DSS.	Expense and revenue accruals are established.
	PowerTrack generates EDI 821 transaction set for the DFAS customer OPLOC for offsetting the obligations and recording the expense accruals on the customer's accounting records.
	PowerTrack sends an identical copy of the report to DFAS-Omaha for the validation of revenue already recorded.
DFAS receives settlement data.	Expense and revenue accruals are established.
	Short term - PowerTrack will generate a manual detail and summary report (equivalent to EDI 810 transaction set) for the DFAS customer OPLOC and DFAS-Omaha to record expense and revenue actuals.
	Long-term - PowerTrack will generate summary and detail report (EDI 810 transaction set) for the customer's DFAS activity and TCC to recognize expenses and revenue actuals.

8. MBS/Invoice Certification.

a. Procedures for the Certifying Officer Legislation apply. The responsibilities for certifying officers, accountable officials, and reviewing officials are contained in DODFMR 7000.14-R, Volume 5, Chapter 33.

b. The MBS must be accessed through the PowerTrack website (<http://www.usbank.com/powertrack/>) (no hard copy will be mailed to the Certifying Officer). The Certifying Officer will print the MBS two GBDs after the 15th of the month or two GBDs following the date when the US Bank generates the MBS, whichever occurs later. The Certifying Officer will stamp the availability date on the MBS.

c. The Certifying Officer should utilize the FM Review to “work ahead” and start researching MBS entries in advance to speed up the certification process. The FM Review can be accessed daily to build next month's MBS.

(1) The day following the date of last month's MBS (typically, the 16th or 17th of the month), run a FM Review query for all carrier payments for the specified TO. The result will be in

effect that day's entries for next month's MBS. Whenever the FM Review is run, ensure that the day following last month's MBS date is the start point and that the report always is for carrier payments which are the basis for MBS entries.

(2) Continuing to run a cumulative query throughout the month will build the MBS data ahead of time and allow certification reviews to be made daily, which will spread out the certification workload throughout the month. Errors discovered to accounting classifications can be corrected in the shipment record directly in PowerTrack up to the date of MBS production. Running a cumulative query will also allow e-Bill adjustments to be submitted in a more timely manner.

(3) Any LOA or TAC conversion errors must be corrected in the PowerTrack shipment record if possible, and documented using the Notes function. Errors identified after the MBS is created can not be changed in the PowerTrack shipment record, but must be manually corrected on the MBS, and documented in PowerTrack with a Note.

(4) When the MBS is accessed from the PowerTrack website and printed, it should be compared to the annotated FM Review to ensure that the appropriate MBS detail transactions were previously reviewed.

d. The Certifying Officer will review the MBS from the US Bank to ensure that it reflects the actual carrier payments. The Certifying Officer will accomplish a prepayment review as required by the DODFMR 7000.14-R, Volume 5, Chapter 33.

e. The Certifying Officer certifies the MBS. After signing the MBS, route through other office(s) for review if required by service HQ (i.e., local finance service office or higher HQ). A copy of the annotated FM Review (or equivalent document) will be attached to the MBS when required by the DFAS payment center designated for that TO. The MBS must be sent to the appropriate DFAS payment center in sufficient time to allow DFAS to process it for payment, receive a refund for early payment, and avoid penalties under the Prompt Payment Act (see paragraph 8.f).

(1) One MBS will be created per TO.

(2) Prior to certification of the MBS, the Certifying Officer will review sampled LOAs and SDNs according to the DODFMR 7000.14-R, Volume 5, Chapter 33, to ensure they are valid based on supporting automated documentation.

(3) If the MBS is missing the shipper's appropriation or the appropriation is apparently incorrect, the Certifying Officer will contact the shipper/activity FM to resolve the discrepancy. When notified, the TO will prepare a Note in PowerTrack documenting the actions taken to establish the correct appropriation. The correct LOA and SDN or TAC must be manually annotated on the MBS prior to submission to DFAS.

(4) Designated shipper DFAS payment centers (for addresses go to <http://www.dfas.mil>):

(a) Navy DFAS-Norfolk

(b) Marine Corps DFAS-Kansas City

- (c) Army DFAS-Indianapolis
- (d) Air Force DFAS-OPLOCs that support Air Force
- (e) DLA DFAS-Columbus

f. The MBS must be certified by the Certifying Officer (with manual corrections made to the LOA if required, and associated Notes entry made by the TO in PowerTrack). It must be forwarded and received by the designated DFAS payment center by the fifth GBD following the date the MBS is available. This is to ensure the DFAS payment center has sufficient time to process the MBS for payment, receive a refund for early payment and avoid penalties under the Prompt Payment Act.

Business Rules for MBS Certification	
Condition	Rule
The US Bank makes the MBS available for printing by the Certifying Officer in PowerTrack.	Certifying Officer prints out and stamps availability date on MBS.
The Certifying Officer utilizes the FM Review to work ahead, researching MBS entries in advance to speed up the certification process.	Run a cumulative query throughout the month to build the MBS ahead of time and allow certification reviews to be made daily. This will spread out the certification workload throughout the month. This would also provide for e-Bill adjustments to be submitted in a more timely manner.
Certifying Officer performs prepayment review.	Certifying Officer will accomplish a pre-payment review as required by the DODFMR 7000.14-R, Volume 5, Chapter 33.
Certifying Officer discovers overpayment.	Certifying Officer effects price adjustment using the e-Bill process and the TO enters appropriate Notes in PowerTrack.
Certifying Officer determines the MBS to be correct and proper.	Certifying Officer signs MBS and submits it, along with the annotated FM Review or equivalent document to proper DFAS component for their service. The MBS must be certified by the Certifying Officer and received by the designated DFAS payment center by fifth GBD following the date the MBS is available.

9. US Bank Payment Process.

a. The MBS is provided at the summary and detail level in PowerTrack. The summary MBS provides an overview of account activity and transaction billing information summarized at the LOA level. Depending on service/agency requirements for input into the shipper system, the LOA may or

may not include the SDN. The detail MBS lists all the transactions that were paid during the statement cycle and shows the carrier, BL number, date, shipment origin, destination and freight cost.

b. If the DFAS payment office receives a certified MBS with an LOA that fails edit in the entitlement system because of insufficient obligations, DFAS will increase the obligation to the billed value if that arrangement has been pre-established. If the LOA fails the edit because of no obligation, DFAS will either establish an obligation (if the FM can identify appropriate accounting data) or will assign the current alternate LOA that applies to that shipper as established by the shipper's HQ. If the LOA fails the edit because of validity, DFAS will attempt to identify the correct LOA. If unsuccessful, DFAS will assign the service/agency alternate LOA to billed value and notify the service/agency HQ POC. DFAS will then process the payment to the US Bank. The DFAS payment office will notify the service/agency HQ of any obligation increase, the establishment of any obligation, or the use of the alternate LOA. This action will be in accordance with currently established DFAS' currently established interim manual operating procedures.

c. When FMs obligate in bulk, prevalidation of the MBS by DFAS is greatly simplified and accomplished rapidly. When possible, FMs should establish bulk obligations for transportation services so that the accounting will be easier and the likelihood of DOD receiving a refund for rapid payment of MBS to the US Bank will be increased.

d. Prompt Payment Act interest begins to accrue 15 days after the date the MBS is made available to Certifying Officials. Therefore, it is imperative Certifying Officials complete their review and certification of the MBS within three days of its availability. Additionally, there is a contractual incentive that provides the DOD with a rebate when payments are made within 30 days. The faster that payments are made to the US Bank, the more refund dollars the DOD will realize. DFAS will track and distribute appropriation refunds returned to DOD via this process.

Business Rules for Bank Payment	
Condition	Rule
LOA fails edit in the entitlement system because of no obligation.	DFAS will increase obligation to billed value and notify the service/agency HQ POC if this has been prearranged.
LOA fails edit in the entitlement system because of validity.	DFAS notifies the appropriate FM to establish an obligation for the specified amount. If the FM is unable to comply within two GBDs, then an appropriate alternate LOA will be identified, an obligation will be placed against it, and payment will be made to the US Bank. DFAS will notify the service/agency HQ POC of actions taken.
LOA fails edit in the entitlement system because of validity.	DFAS will attempt to identify the correct LOA. They will notify the appropriate FM of the situation and allow them two GBDs to provide a corrected LOA. If unsuccessful, DFAS will assign the service/agency alternate LOA.
DFAS receives certified MBS.	Once the certified MBS entries have been prevalidated, DFAS will make payment to the US Bank. DFAS will track and distribute appropriation refunds returned to DOD when payments are made in less than 30 days.

10. Dispute Resolution.

- a. The following guidelines will be followed regarding the creation of e-Bills for resolving under/overpayments:

Business Rules For Dispute Resolution	
Condition	Rule
Carrier makes additional claim before carrier payment is approved.	Carrier can request a price adjustment using the Notes function in PowerTrack. NOTE: DLA TOs will also accept phone call requests for price adjustment.
Carrier makes additional claim after carrier payment is approved.	Submit e-Bill up to 16 months after payment. After 16 months (or if price is disputed), go to AMC Contracting Officer to request price change.
TO detects overpayment before carrier payment is approved.	TO modifies government-submitted price in PowerTrack and enters reason for price adjustment using the Notes function.
TO detects overpayment after carrier payment is approved.	TO submits e-Bill within 60 days. After 60 days, go to AMC Contracting Officer to request price change.

b. The carrier always has the option to go through the AMC Contracting Officer to request a price adjustment. However, a billing dispute must first go through the e-Bill process before requesting a price adjustment from the AMC Contracting Officer.

c. Either the TO or the carrier can submit an e-Bill. After the e-Bill is submitted to PowerTrack, the other party will have three GBDs to respond.

(1) The TO must take one of the following actions within three GBDs of receiving an e-Bill from the carrier:

(a) Approve payment.

(b) Deny payment (remarks documented in a PowerTrack Note required indicating why payment was denied).

(c) Hold payment (remarks required: requesting clarification or more information).

(2) The carrier must take one of the following actions within three GBDs of receiving an e-Bill from the TO:

(a) Approve for credit.

(b) Deny credit (remarks using the Notes function to indicate why credit was denied).

(c) Hold credit (remarks using the Notes function required requesting clarification or more information).

(3) Once a response is received as “on hold”, the party that placed the “hold” has three GBDs to approve or deny the e-Bill.

d. When the TO or carrier creates an e-Bill, they will reference the CBL number or the user will append sequential letters to the CBL number for each e-Bill created. For example, if the CBL # is MC9912345, the first e-Bill will be assigned the identifier of MC9912345A, the second e-Bill will be assigned the identifier of MC9912345B, etc.

e. Price disputes that cannot be resolved between the shipper and the carrier within 60 days will be arbitrated by the AMC contracting officer. Price disputes that cannot be resolved by the AMC contracting officer will be forwarded to the General Services Board of Contract Appeals, 1800 F Street N, W., Washington, DC 20405 for resolution.

f. Any adjustments in the original payment estimate must be documented in a PowerTrack Note for the purposes of invoice certification and post payment examination.

Business Rules for e-Bills		
Condition	Rule	
TO receives an e-Bill.	TO must take one of the following actions within three GBDs.	Approve payment.
		Deny payment.
		Hold payment.
Carrier receives an e-Bill.	Carrier must take one of the following actions within three GBDs.	Approve credit.
		Deny credit.
		Hold credit.

11. Contract and Payment Data.

The US Bank, through the PowerTrack system, will make COMALOC shipment and payment data available via the web interface to AMC's contract and finance organizations. AMC will use the shipment and payment data for budget accruals against specific contract and subcontract line numbers.

ATTACHMENT 4
TWCF BUSINESS RULES

RESERVED

THIS PAGE INTENTIONALLY LEFT BLANK

ATTACHMENT 5

FUEL COMMERCIAL CARRIER PAYMENT BUSINESS RULES

A. PURPOSE

This attachment describes the business rules that govern the Fuels commercial carrier payment process. These procedures will include truck, barge, pipeline and rail bulk fuel movements when these commercial modes reach agreement with the US Bank. The rules relate to the timing of transactions, confirmation/validation requirements, exception handling, and other issues that may arise during shipment and payment of fuels using the US Bank PowerTrack system during the interim/manual process.

B. SCOPE

The business rules are applicable to fuels shipments only. This will include truck, barge, pipeline and rail bulk fuel movement, the commercial carrier payment process and associated accounting requirements. Under the interim/manual processes, the BL will be created in PowerTrack by the shipper, Defense Fuel Support Point (DFSP), using the web interface and the customized Shipment Data Entry screen in PowerTrack. A meter ticket is the only hard copy transportation document provided to the carrier. The meter ticket is used by the DFSP as back-up documentation for audit purposes. The BL is in electronic form only.

C. FUEL COMMERCIAL CARRIER PAYMENT PROCESS FLOW DIAGRAM

The fuel commercial carrier payment process flow diagram shown below presents a general representation of the Fuel business process. The numbers in the process flow diagram correspond to the business rule numbers that are described in the following paragraphs.

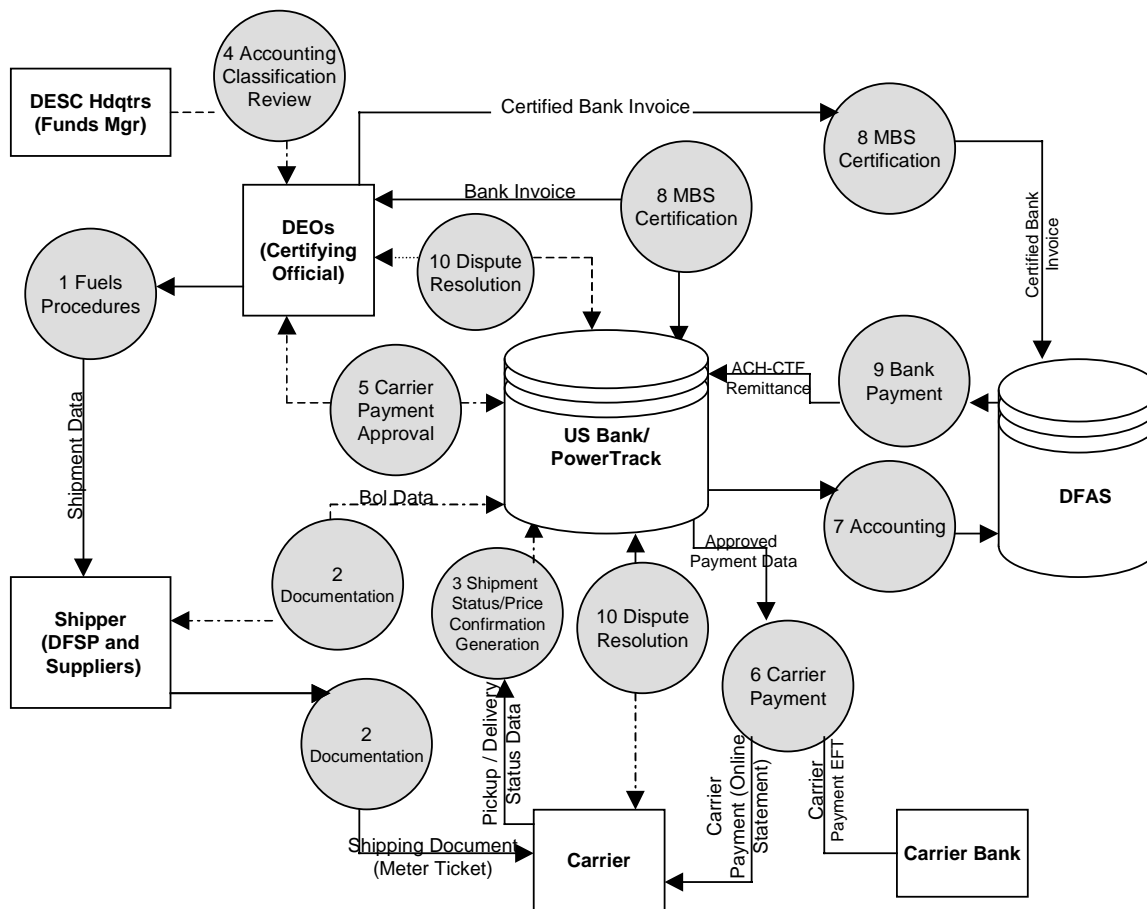


Figure BB-5-1. Fuel Commercial Payment Process Flow Diagram

D. BUSINESS RULES

There are ten key processes within the fuels commercial payment process. These ten processes are:

1. Fuels Procedures.
2. Documentation.
3. Shipment Status/Price Confirmation Generation.
4. Accounting Classification Review.
5. Carrier Payment Approval.
6. Carrier Payment.
7. Accounting.
8. MBS Certification.
9. Bank Payment.
10. Dispute Resolution.

1. Fuels Procedures.

- a. Under the interim/manual processes, the shipper (DFSPs and fuel suppliers) will process shipment data manually.
- b. The shipper will use the shipping site's DODAAC or Standard Point Location Code to identify the site in the BL.
- c. Carriers using the PowerTrack payment system will be given greater consideration for traffic award over carriers not using the PowerTrack payment system. This consideration should be consistent with service, past performance, and cost requirements.
- d. The shipper will enter the SCAC of the carrier to which the shipment is tendered. This SCAC will be used by PowerTrack to identify the carrier moving the shipment. Contact the PowerTrack Help Desk (1-800-417-1844) for assistance if the SCAC is unknown.

2. Documentation.

- a. Manifest and pickup - the shipper (DFSP or fuel supplier) will provide a meter ticket to the carrier at pickup.
- b. The shipper will print a minimum of two hard copies of the meter ticket: one to file, and one to give to the carrier.
- c. The shipper enters data into PowerTrack including price, quantity and name of carrier.

3. Shipment Status/Price Confirmation Generation.

- a. The carrier will submit service completion transit status (i.e., pickup or delivery) to PowerTrack via the PowerTrack web interface (<http://www.usbank.com/powertrack/>). The carrier will perform services according to the shipping instructions as specified in the BL and applicable contracts, tenders, and Guaranteed Traffic Agreements. The carrier must report notification of pickup (NoP) for rail or notification of delivery (NoD) for motor, pipeline or barge to PowerTrack before the payment can be made.
- b. For locally paid services, e.g. destination charges, the carrier will bill the appropriate TO by creating a stand-alone e-Bill in PowerTrack.

4. Accounting Classification Review.

- a. The FM will respond quickly to DFAS payment office inquiries. They will provide necessary data to these offices so the payment office can complete the disbursement process to the US Bank.
- b. The FM at the Defense Energy Support Center (DESC) HQ reviews accounting data and ensures adequate funding is assigned to each LOA at each Defense Energy Office (DEO). There is only one LOA per region.

5. Carrier Payment Approval.

a. Payment Requirements.

(1) The carrier payment process cannot begin until there is confirmation in PowerTrack that services have been performed and approval has been indicated by the DEO. The event to confirm that services have been performed will be the receipt of the carrier's NoP for rail movements and NoD for TL/LTL movements. Actual carrier payment will be based on the services provided under the BL. Accessorial charges may include, but are not limited to, extra hoses, extra pumps, or equipment ordered and not used.

(2) The DEO will approve payment for the amount that is determined as the government's responsibility to pay. The amount the government is responsible to pay includes the rate for the shipment and any accessorial charges as specified in the BL.

b. Automatic Approval of Payment.

(1) One of the advantages of PowerTrack is that shipments can be automatically approved for carrier payment if they meet certain criteria. For example, in the matching model where both the shipper and carrier submit a price, the DEO can establish a maximum price difference.

(2) In the government invoice and carrier invoice models, the DEO can establish a maximum automatic approval price ceiling. The DEO will set the parameters for automatic approval and may assign a lower maximum automatic approval dollar amount based upon workload and carrier characteristics.

(3) If a shipment meets the auto approval price parameters it will be approved for payment without the DEO needing to review it on-line. If a shipment does not meet the parameters, the DEO will need to approve the payment manually.

Business Rules for Fuels Automatic Approval of Payment		
Condition		Rule
Matching Model (Shipper and carrier submit a price).	Price difference is not more than the maximum established by the DEO.	PowerTrack automatically approves and executes payment to the carrier within three GBDs of receiving notification of delivery.
	Price difference is more than the maximum established by the DEO.	PowerTrack places the shipment on hold for manual approval.
Government Invoicing Model. Or Carrier Invoicing Model.	Price is below the maximum ceiling established by the DEO.	PowerTrack automatically approves and executes payment to the carrier within three GBDs of receiving notification of delivery.
	Price is above the maximum ceiling established by the DEO.	PowerTrack places the shipment on hold for manual approval.

c. Manual Approval of Payment.

(1) Any transactions that are not automatically approved must be approved manually. Wherever possible, a separation of duties should be maintained and the person who approves carrier payment should be different from the person who created the BL.

(2) The DEO must approve for payment the amount they determine the government is responsible to pay. Any difference between this price and the original BL price (if higher) will be resolved in an e-Bill. Any adjustments in the original payment estimate must be documented in the Notes section of PowerTrack for the purposes of invoice certification and post payment examination.

(3) If a shipment is not automatically approved for payment, the DEO must take one of the following actions within three GBDs after notification of pickup for rail or three GBDs after NoD for TL/LTL, barge and pipeline:

(a) Approve the payment.

(b) Adjust the price, approve the payment, and record the reason for adjustment in a PowerTrack Note.

(c) Place on hold and request additional information from carrier.

(d) Deny payment and record reason in a PowerTrack Note.

(4) Once a response is received on a hold, the shipping office that placed the hold has three GBDs to approve or deny.

(5) The DEO can update a transaction in PowerTrack before the US Bank remits payment to the carrier. In those situations where transactions are updated, the office that approved the change must enter a Note in PowerTrack explaining why the change was made. The following rules apply when updating shipment data prior to remitting payment to the carrier.

(a) All changes affecting cost must be recorded in PowerTrack.

(b) After the carrier has been paid by the US Bank, any changes to price or shipment data must be entered into PowerTrack via the e-Bill process.

Business Rules for Fuels Manual Approval of Payment		
Condition	Rule	
Shipment must be manually approved.	Shipping office must take one of the following actions within three GBDs, and document relevant details in PowerTrack.	Approve government submitted price.
		Adjust government price, approve, and record reason.
		Place shipment payment on hold and request additional information from the carrier.
		Deny payment and record reason.
Shipment is placed on hold and Carrier is sent information request.	Carrier payment shall not be made until resolved and approved.	
DEO receives response to information request.	TO must approve or deny payment within three GBDs.	

6. Carrier Payment.

The US Bank will pay the carrier after NoP is received in PowerTrack for rail movements, NoD is received for TL/LTL, barge and pipeline movements and DEO approval is received. The carrier payment approval process above outlines the actions that DEO should use to approve transactions.

7. Accounting.

DESC obligates funds at the beginning of the fiscal year for each DEO. PowerTrack updates DFAS with expense data through MBS after these bank statements are certified by the Certifying Official at the DEO. There is one LOA for each DEO.

8. MBS Certification.

a. Procedures for the Prompt Payment Act and the responsibilities for certifying officials, accountable officials, and review officials are contained in DODFMR 7000.14-R, Volume 5, Chapter 33.

b. The Certifying Official will print the MBS within two business days after the 16th of the month.

c. The Certifying Official will review the MBS from the US Bank to ensure that it reflects the payments to carriers as authorized by the DEO. The Certifying Official will accomplish a pre-payment review by taking a random sample of automatic and manual approval carrier payments (Note: any transactions greater than established thresholds must be reviewed). After collecting the sample, the Certifying Official should look for circumstances such as: any changes not documented by a Note, any situations where the payment exceeds the original estimate by 30 percent, or inaccurate rates. If overpayments are discovered, the Certifying

Official will initiate an e-Bill to effect a price adjustment. Results from sampled reviews should be used as the basis for selecting additional carrier payments for review.

d. The Certifying Official certifies the MBS. After certifying and signing the MBS, it is sent to DFAS Columbus (DFAS-CO-LSFAS). Certifying Officials may be instructed by their higher HQ to submit the invoice for an administrative review. The higher HQ will then forward the invoice to DFAS Columbus (DFAS-CO-LSFAS).

(1) One MBS will be created.

(2) Designated DFAS payment center for fuel transportation bills is DFAS Columbus (DFAS-CO-LSFAS). The web site for DFAS information is <http://www.dfas.mil>.

e. Payment from the government to the US Bank is required in 15 days or less (“net 15 days”) from the date of the MBS. The bank invoice must be certified and arrive at the designated DFAS payment center by the 10th calendar day following receipt of the MBS. This is to ensure the payment center has sufficient time to disburse the amount owed to the US Bank.

Business Rules for Fuels MBS Certification	
Condition	Rule
The US Bank provides Certifying Official with MBS.	Certifying Official stamps availability date on MBS.
Certifying Official performs prepayment review by random sampling of automatic and manual payment approvals.	Certifying Official uses established sampling methods and looks for items such as: undocumented changes, payments that exceed original estimate by 30 percent, inaccurate rates.
Shipment exceeds dollar value allowed for random sampling.	Certifying Official must review all shipments that exceed established threshold.
Certifying Official discovers overpayment.	Certifying Official effects price adjustment using the e-Bill process.
Certifying Official determines the MBS to be correct and proper.	Certifying Official signs MBS and submits it to proper DFAS-Columbus. The certified invoice must arrive at DFAS within 10 calendar days after the Certifying Official received the invoice from US Bank.

9. Bank Payment.

a. For each DEO, the US Bank will generate a separate MBS with its own unique LOA. Supporting detail for each transaction is available in PowerTrack.

b. If insufficient funds exist on an LOA, the DESC HQ must be notified so additional funds may be added by the FM.

c. E-Bill adjustments will be credited/debited to the detail LOA and will offset or increase the amount paid to the US Bank for that MBS.

Business Rules for Bank Payment	
Condition	Rule
LOA fails edit in the entitlement system because of insufficient obligation.	DFAS will increase obligation to billed value and notify the Service/Agency HQ POC.
DFAS receives certified MBS.	DFAS must provide payment for the MBS within 15 calendar days after the TO received the invoice from the US Bank.

10. Dispute Resolution.

a. The following guidelines will be followed regarding the creation of e-Bills for resolving under/overpayments:

Business Rules for Dispute Resolution	
Condition	Rule
Carrier makes additional claim before carrier payment is approved.	Carrier can request a price adjustment using the Notes function in PowerTrack. Carrier can modify payment request asking for additional amount.
Carrier makes additional claim after carrier payment is approved.	Submit e-Bill up to 16 months after payment. After 16 months, go to MTMC/DSC to request price change.
DEO detects overpayment before carrier payment is approved.	DEO modifies government-submitted price in PowerTrack and enters reason for price adjustment in an electronic Note.
DEO detects overpayment after carrier payment is approved.	DEO submits e-Bill within 60 days. After 60 days, go to MTMC/DSC to request price change.

b. The carrier always has the option to go through MTMC/DSC to request a price adjustment. However, a billing dispute must first go through the e-Bill process before requesting a price adjustment from MTMC.

c. Either the DEO or the carrier can submit an e-Bill. After the e-Bill is submitted to PowerTrack, the other party will have three GBDs to respond.

d. The DEO must take one of the following actions within three GBDs of receiving an e-Bill from the carrier:

- (1) Approve payment.
- (2) Deny payment (remarks in a Note required indicating why payment was denied).
- (3) Hold payment (requires remarks in a Note requesting clarification or more information).

e. The carrier must take one of the following actions within three GBDs of receiving an e-Bill from the DEO:

- (1) Approve for credit.
- (2) Deny credit (remarks in a PowerTrack Note required indicating why credit was denied).
- (3) Hold credit (remarks in a PowerTrack Note required requesting clarification or more information).

f. When the DEO or carrier creates an e-Bill, they will reference the BL number or the user will append sequential letters to the BL number for each e-Bill created. For example, if the BL # is MC9912345, the first e-Bill will be assigned the identifier of MC9912345A, the second e-Bill will be assigned the identifier of MC9912345B, etc.

g. For price disputes that cannot be resolved between the DEO and the carrier via e-Bills, the carrier may escalate the dispute to the following activities, preferably in the following order:

MTMC Deployment Support Command
Carrier Services Division
Attn: Lu Ann Bernard
664 Sheppard Place
Fort Eustis, VA 23604-5000
(757) 878-7481
(757) 878-7404 (Fax)

HQ Military Traffic Management Command
Hoffman Building II
Attn: MTOP-JF/Andreson
200 Stovall Street
Alexandria, VA 22332-5000
(703) 681-9397
(703) 681-9871 (Fax)

US General Services Administration
Federal Supply Service
Attn: Audit Division / James F. Fitzgerald
1800 F Street NW
Washington, DC 20405

h. Any adjustments in the original payment estimate must be documented in a PowerTrack Note for the purposes of invoice certification and post payment examination.

Business Rules for e-Bills		
Condition	Rule	
DEO receives an e-Bill.	DEO must take one of the following actions within three GBDs:	Approve payment.
		Deny payment.
		Hold payment.
Carrier receives an e-Bill.	Carrier must take one of the following actions within three GBDs:	Approve credit.
		Deny credit.
		Hold credit.

11. Carrier Rules.

a. For TL/LTL, barge, and pipeline movements, the carrier must provide NoD to PowerTrack before payment is approved.

b. For rail movements, the carrier must provide NoP to PowerTrack before payment is approved. Rail carriers must also provide NoD.

c. TL/LTL, barge, pipeline, and rail carriers will submit delivery notification to PowerTrack within 24 hours of delivery.

d. For accessorial services arising after creation of shipment in PowerTrack, the carrier will bill the appropriate DEO by creating an e-Bill in PowerTrack.

e. PowerTrack shipments will fall under GSA post-payment audit responsibility.

f. Carriers will not submit separate invoices to DFAS for shipments that are paid using PowerTrack.